THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

The "Friendship Policy" Receives a Severe Test

The "Red-Wave" on the Yangtsze

By Charles Dailey

Mr. Lyall's Views on the Treaty Question

The Preparation and Marketing of Chinese Tea

By J. C. Huston

Where Intervention Might Do Some Good!

評論報 密勒氏

SATURDAY, NOV. 27, 1926

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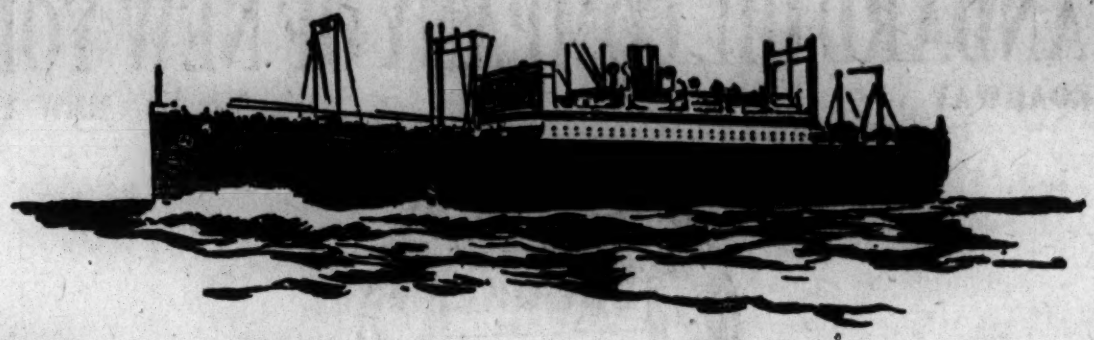

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J. B. POWELL, Editor and Publisher
ROBERT H. POWERS, Advertising and Business Manager
LIZEN SCHENG, Assistant Advertising Manager

CONTRIBUTING EDITORS

HOLLINGTON K. TONG, H. F. MACNAIR,
HIN WONG, (Canton) BRUNO SCHWARTZ (Hankow)
CHAS. A. DAILEY (Peking) PEI-YU CHIEN,
WM. STEPHEN WANG (Tientsin) H. P. SHASTRI

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THE "FRIENDSHIP" POLICY RECEIVES A TEST!

FOR MANY MONTHS the Japanese have been pursuing what their statesmen term, a "friendship" policy toward China, the general purpose being to create closer relations between China and Japan. China's troubles with Western nations, especially Great Britain over the treaty question in recent years have been of great value to Japan in the propagation of her Pan-Asian doctrines, for all of the 'incidents' from the May 30 affair of 1925 in Shanghai to the Wanhsien trouble on the upper Yangtsze last September have enabled the Japanese to tell the Chinese that the Orientals should 'stick together' against the West. Japan desires, above all else to eliminate Western influence from Asia. She defeated the Rusrians and drove them out of South Manchuria; she defeated the Germans and drove them out of Shantung; now she is backing Marshal Chang Tsoling, the Mukden bandit-warlord in eliminating the Russians from North Manchuria. And as for the British, the present Japanese "friendship drive" is directed at them more then any other nationals because Japan stands to gain in commerce and prestige proportionately as British commerce and prestige in China go down. To consider the Yangtsze Valley alone, the elimination of British shipping on the Yangtsze River would be of tremendous benefit to the Japanese because their ships would get most of the business which now goes to the British. Another instance is the piece-goods (cotton goods) trade. Great Britain has dominated this industriy for many decades: now the Japanese are competing with the British all along the line from Osaka to Manchester and even to the extent of numerous mills established on Chinese soil. It is commonly reported that as soon as the British bring out a new design, that the Japanese are able to imitate it and place their own designs on the China market almost before before the British can send their samples to Manchester and get their cargoes back to China.

THE JAPANESE are also competitors of the British in the diplomatic field, being persistently opposed to Great Britain's"strong" policy in respect to China. As far back as the Lincheng bandit affair of 1923, it was the Japanese who blocked the British in the scheme for a naval demonstration on the China coast and the more far-reaching scheme for policing the Chinese Government railways with foreign troops. Japan did participate with the British and other powers in forcing the Christian general, Feng Yu-hsiang to lift the blockade at Tientsin, but Japan gained by that because Feng was fighting Marshal Chang Tso-ling, the latter being Japan's friendly ally in Manchuria. Japan is thus demonstrating her friendship for China in practical

ways in addition to the innumerable unofficial movements such as the formation of Sino-Japanese clubs, the entertainment of Chinese leaders in Japan with all traveling and hotel expenses paid, and the constant string of unofficial Japanese delegations which are touring China and making a study of the land. The Japanese were blocked by the Powers at the Washington conference in their old plans for military domination of China: now Japan is using the "friendship" method of cultivating relations with China, and as stated previously every incident resulting from an attempt on the part of Great Britain or some other Western power to force China to do something, has helped Japanese policy by throwing China into the arms of her "protector," Japan. Japan's "friendship" policy toward China had its beginning immediately following the Washington Conference when the Powers and Chinese nationalism working together forced a change from the old policy of force. With the exception of Japan's intervention in Manchuria to prevent the defeat and ousting of Marshal Chang Tso-ling when his subordinate Gen. Kuo Sung-lien revolted last winter, Japan's policy toward China, generally speaking, has not been open to serious criticism. The Japanese have taken their medicine; in other words have put up with all of the insults of the militarists and the depredations of the bandits and pirates in good humor and have begun to convince the Chinese that Japan is a "friend" of China.

BUT NOW THE REAL TEST of Japanese "friendship" has come in China's attempt to revise the so-called Unequal Treaties. There has been much public discussion of China's action in abrogating the Sino-Belgian Treaty, but little public discussion of the more important matter of China's action in respect to the Sino-Japanese Treaty which is also up for renewal. On October 20, Dr. Wellington Koo, Minister of Foreign Affairs and Acting Premier in Peking sent a Note to the Japanese Minister in Peking, which after reviewing the provisions and circumstances of the Sino-Japanese Treaty of Commerce and Navigation of July 21, 1896, said:

> "Therefore the Chinese Government sincerely desire not to continue the aforesaid Treaties in their present form, but wish to have steps taken immediately to effect their *fundamental revision* with a view to promoting the common interests of the two countries.
>
> "The proposed revision of these Treaties will be of great importance to the future relation of the two countries, and the Chinese Government earnestly hope, therefore, that the Japanese Government will be able to conform to the trend of recent progress in international intercourse and give satisfaction to the aspirations of the Chinese people by firmily establishing a new foundation for the relations between the two countries and their people on the principles of equality and reciprocity."

THE LANGUAGE of the Chinese Note was very friendly, but there was a "stinger" in one of the concluding paragraphs which said that if Japan did not immediately consent to negotiations for a revision (during the six months' period provided in the Treaty for revision) "that the Chinese Government will be confronted with the necessity of determining and declaring its attitude *vis-a-vis* the Existing Treaties. Accordingly the Chinese Government wish to reserve all their rights in this regard." The Japanese Government replied to this Note in equally friendly language, stating that,

> "The Japanese Government are happy to accede to the request of the Waichiao Pu (Chinese Ministry of Foreign Affairs) made in pursuance of the provisions of this Article, (Clause providing for revision) and are ready to enter into negotiations with the Chinese Government for a revision of the Treaty of 1896."

LATER ON, however, the Japanese Reply was not so friendly, for considerable surprise was expressed that China desired "fundamental" revision of the Sino-Japanese Treaty to the extent of "the tariffs and the commercial articles in the Treaty of 1896, but also of the entire Treaties and Notes in question." The Japanese Note was concluded as follows:

> "The Japanese Government, however, have no intention of limiting the scope of the forth-coming negotiations to the questions defined in Article 26 of the Treaty of 1896. Without prejudice to their legal position in the matter, they are willing to consider sympathetically the wishes of the Chinese Government for a more extensive revision of treaty provisions, and they are confident that the same sense of moderation will mark China's action.
>
> "There is one more passage in the Waichiao Pu's note at which the attention of the Japanese Government has been arrested. It declares in effect that if the conclusion of a new Treaty be not effected within six months, the Chinese Government will be compelled to define and to announce their attitude on the Treaties hitherto in force, and that they expressly reserve to themselves all rights to which they are duly entitled in this regard.
>
> "The Japanese Government are unable to conceal from themselves a sense of disappointment at such terms of reservations. The implication involved in this paragraph does not seem to be entirely in line with the spirit of mutual confidence and helpfulness which alone can ensure the success of the proposed negotiations. At all events the Japanese Government feel it due to frankness to state that their acceptance of the proposal for a revision of Treaties between Japan and China is not to be construed as an acquiescence in any rights asserted in the Waichiao Pu's communication."

THE ISSUE between China and Japan is thus pretty well joined and it will be interesting to observe the actions and reactions of the two countries in the next six months, for as the thing stands China has definitely threatened to abrogate the Treaty unless Japan agrees to "fundamental" revision and that means Japan's agreement to China's freedom of action in respect to the Tariff and the giving up of Japan's consular jurisdiction in China. It was a compartively simple matter for China to abrogate the Belgian treaty, the reasons being Belgium's inability to take coercive action. But Japan is in no such position of helplessness and China must face the issue. In short, it is a real test of "friendship" for Japan must make up her mind in the coming six months as to whether she will meet China's wishes in respect to treaty revision. As a matter of fact Japan's "friendship drive" for the past four or five years has been aimed in the direction of this treaty, hoping that she would be able to win the Chinese over to some form of treaty revision which would satisfy China, but which at the same time would give Japan protection which her business men feel they should have in the prosecution of their business in China under present conditions. The Japanese were the first to agree to Tariff Autonomy in the recent Conference in Peking, but when the Chinese refused to agree to the admission of Japanese goods (through special agreement between the two countries) at practically present 5 percent *ad valorem* rates for a period of ten years, the Japanese became cold on their previous consent to Tariff Autonomy. It is quite possible that the Japanese might be able to bribe sufficient Chinese politicians and militarists to put over another one-sided treaty, but it would be an entirely different matter to win over, by oblique methods, the whole Chinese Nationalist Movement, which is bent on treaty revision. Furthermore, every other nation which has a treaty with China would immediately demand "most favored nation treatement" and thus fall heir to the new Japanese special Tariff privileges.

AMERICAN REACTIONS ON THE TREATY QUESTION

IN VIEW of the fact that the Sino-American Treaty does not expire until January 13. 1934 and furthermore that it does not exclusively reserve the right of revision to the United States similar to the clause in the Sino-Belgian Treaty which reserved the right of revision to the Belgians, the United States Government has not been especially concerned with the complications which have arisen between China and Belgium. According to a *Reuter* dispatch from Washington on November 9, attention was called to Article 17 in the American treaty which provides that "either party may demand revision at the end of ten years from the date of the exchange of ratifications, which was January 13, 1903, failing which the Treaty should remain in full force for a further ten years." In the same connection however the State Department "recalled" that the Powers had agreed to a Tariff Conference and an investigation of Extraterritoriality," both of which matters constitute the so-called "unequal" clauses in the treaties. Therefore, according to the *Reuter* message the American Government would *"refrain from interference, though remaining an interested listener of the Sino-Belgian discussion.* In addition to the message carried by the British news agency, referred to in the foregoing, there was a *United Press* (American service) message, also from Washington on November 9, which stated that the Administration "was concerned" over reports that Great Britain was planning to support Belgium with regard to the latter's stand toward China, fearing that such action on Britain's part might cause China to abrogate all of the treaties without waiting for their expirations. Further, the *United Press* message stated that the Administration "believes that the findings of the Extraterritorial Commission should be applied, permitting China to better her own conditions, instead of attempting to force her to accept any set of principles. The ultimate abolition of Extraterritoriality is favored by the Administration, *but it is also felt that such a step is not justified at the present time.*

IN ADDITION to the foregoing, there was also a dispatch from its Washington correspondent in the *Japan Advertiser* on November 10 which stated that the United States would not consent to an abrupt cancellation of Extraterritoriality on any conditions, but that Extraterritoriality *"must remain in effect whether China desires to continue it or not."* This rather strong language by the Washington correspondent may have been inspired by the feeling which has been prevalent in Washington governmental circles for some time that Japan might be contemplating a seheme of trading off her extraterritorial rights in China in exchange for favorable Chinese treatment in respect to the Tariff Question. It was largely by this method that Siam was able to induce Great Britain and France to agree to the abolition of extraterritoriality in that country; in other words, Siam simply traded off certain valuable economic rights to these two European countries in exchange for their agreement to the abolition of extraterritoriality. It is therefore within the realm of possibilities for Japan to work a similar scheme in China, that is, agree to give up her extraterritorial rights in China, providing China would go easy with Japan on the question of raising the tariff. Japan could better afford to relinquish extraterritorial rights in China than the other Powers owing to her proximity to China and her ability to "settle cases on the spot," while Chinese Tariff Autonomy would be disastrous to Japan's trade with China, while on the other hand it probably would be helpful to American and European trade through raising the standard of living in China due to stimulation of industrial activity. However, to get back to the specific question brought up by the abrogation of the Sino-Belgian Treaty and the pending negotiations between China and Japan in respect to the treaty question, there was a further message from Washington, a *Reuter* dispatch on Nov. 16, which quoted Senator Borah, chairman of the Foreign Relations Committee as declaring that, *"The present turmoil in China furnishes an acid test for the world peace program, and that the real trouble in China was Nationalism coming into contact with Imperialism. Any nation which adopted a policy of forcible intervention in China would become the assassin of justice in the Orient."*

WHERE INTERVENTION MIGHT DO SOME GOOD

THERE IS ONE place in China where the Powers might intervene with value both to themselves and to China. That is in the matter of putting a stop to the Chinese pirates which are menacing navigation on the main ocean highway between Shanghai and Hongkong. This section of the Pacific ocean is tremendously important from the standpoint of world commerce, and while the Chinese pirates thus far have confined their depredations to the smaller coastwise shipping, there is a possibility that they may shortly be emboldened to try their skill with one of the large ocean liners which sail the Far Eastern seas. The following is a fairly accurate record of Chinese piracies in the past three years:

October 9. 1923—S. S. "Yuan Wo" attacked at Tai-Hang-Hao by pirates from Tao-Shan, 150 Chinese passengers kidnapped with losses approximating $60,000.

November 14. 1923—Japanese steamer, "Whampoa" attacked. Three persons kidnapped and considerable merchandise stolen.

December 22. 1923—British steamer, "Sunning" captured outside Honkong. Three persons wounded and loot amounting to approximately $60 000 taken.

December 24. 1923—French steamer "An Lan" attacked near Chao-Tao-Chu, Canton resulting in the killing of 15 persons, the wounding of 1 and the loss of considerable property.

December 25. 1923—S. S. "Pao An" captured near Shantak 20 persons killed, 2 wounded and 45 kidnapped.

December 29. 1923—S. S. "Chaochow" attacked between Hongkong and Swatow by 45 pirates, 3 persons being kidnapped and $70,000 worth of property stolen.

January 20. 1924—S. S. "Tai Lee" attacked near Whan-moon, resulting in the killing of three officers, including Capt. Wilcox, the wounding of five others, and loss of property, including silver bullion amounting to more than $250,000.

January 23. 1924—S. S. "Hop An" attacked between Kong-moon and Canton, resulting in the killing of 5 persons, wounding of 15 and kidnapping of 60 Chinese passengers. In this case some of the pirates were later captured and punished.

February 14. 1924—S. S. "Shun Heng," attacked near Heung-shan, resulting in the wounding of 4 passengers, kidnapping of 75 and loss of about $15,000 worth of goods and valuables.

April 15. 1924—Portugese steamer "Seixtal" pirated near Kaukong in West River district, Canton, resulting in three guards being killed and the wounding of the chief officer, Capt. Assis.

December 18. 1925—British steamer "Tungchow" while on its way from Shanghai to Tientsin captured by pirates about 200 miles south of Weihaiwei, shooting and seriously wounding Capt. W. McIntosh. Officers forced at point of pistol to navigate ship southward to Bias Bay where pirates removed large quantity of silver, some cargo and all of personal baggage of Chinese passengers. Several of pirates later caught and sentenced to death by French Mixed Court at Shanghai.

February 8. 1926—French steamer "Jade" captured by 7 Chinese pirates near Kwangchowan, south of Hongkong,

taken to Bias Bay and $80,000 in silver bullion removed. These pirates claimed they had also perated two other steamers, the "Ling Chow," and "Fung Wah," and that they "usually pirated one ship a year."

July 13. 1926—Chinese steamer, "Kwanglee" bound from Shanghai to Canton, seized by 36 pirates who confined the officers in their cabins and beached the steamer near Macao, waere they removed 12 of the wealthier Chinese passengers and completely looted the ship.

November 8. 1926—French steamer, "Hanoi" pirated near Kwangchowan by 26 pirates who embarked as passengers. One Annamite guard was shot and thrown overboard, 2 members of crew wounded, after which vessel was taken to Bias Bay where $50,000 in silver was removed, $20,000 in personal effects taken from passengers and Ship's store of rifles and ammunition removed.

November 15. 1926—British steamer, "Sunning" captured by 40 pirates, but British officers succeeded in regaining the bridge and killing 11 pirates. Chief Engineer G. Cormack seriously wounded. Pirates then fired ship, but fire attracked attention British gunboat Bluebell which came to rescue, capturing about 12 pirates and putting out fire after serious damage had been done.

THIS LIST does not include attacks against foreign shipping on the Upper Yangtsze, which are in a somewhat different catagory, owing to the internal war situation and Chinese allegations that the foreign boats often engage in the opium and gun-running business. The piracies along the South China coast have no political significance and are pure piracies by an apparently well organized gang of Chinese buccaneers which has its headquarters in Bias Bay, a wild section of the Kwangtung coast near Hongkong. The attacks have been directed at shipping of all nationalities with the exception of Americans and the only reason, apparently, the Americans have escaped, is due to the fact that they have no small ships engaged in this trade. The Americans however, do participate in the larger trade between Shanghai and Hongkong, so it is quite possible that the pirates, emboldened by their attacks on coastwise shipping may soon decide to try their hand at one of the President liners. This would make excellent "copy" for the newspaper correspondents, but would undoubtedly have an adverse effect upon "round-the-world" travel with ensuing losses unnecessary to enumerate here. And although American shipping has not suffered directly as a result of the South China piracies, American have suffered indirectly as a result of interference with and theft of cargoes and also through losses suffered by American passengers on pirated ships. In all these cases of piratage, the buccaneers have used the method of embarking as passengers. Then after the ship sails out of port, the pirates emerge from the steerage quarters and swarm into the officers quarters, shooting all who do not submit. Then the ship is run into Bias Bay where the passengers are robbed, cargo and valuables removed, wealthy Chinese passengers kidnapped, after which the pirates make their escape. Bias Bay is within the jurisdiction of the Kwangtung South China Kuomintang Government, but while the Kuomintang politicians make a great display of their good government in Canton they have made no attempt whatever to curb the pirates operating in Bias Bay, which is probably less than fifty miles from the Canton Bund. In many ways the South China pirates resemble the Barbary Pirates which ravaged the North Coast of Africa from earliest times down to about 1815 when British, Dutch and American fleets finally and definitely put an end to their depredations. It was the custom of the Barbary pirates to pay ten percent of their takings to the native rulers of the adjacent African coast, but we are not of course suggesting that the modern exponents of democracy in Canton are profiting from the activities of their piratical countrymen at Bias Bay.

The Red Wave on the Yangtze

BY CHARLES DAILEY

WHETHER the Cantonese after having captured the Wu-Han centre and are now pressing down the Yangtze are Red or Pink really cannot be stated reliably until the first wash day. Certainly they are fighting with Russian munitions, credits and advisors, and through the labor department are hitting capitalism wherever it exists. They are determined to set aside or to ignore most of the foreign treaties and to put all foreigners on the same footing as the Chinese. It may be also that they will cast off the Soviet Russians as they would an old shoe when the Moscow element is no longer of any use to them. Only time will tell.

After six weeks on the Yangtze watching the developments I find it impossible to form a correct estimate. If compelled to make a guess at the moment I would say that the Cantonese movement is more nationalistic than bolshevistic, just as I am convinced that the moribund militarist government in Peking is more selfish than patriotic and seeks only its own enrichment and aggrandizement. There seems little to choose between them.

Communistic Element

One thing is certain: There is a Communistic element which is following the Red flag. Whether this element will assume control remains to be seen, but the chances are against it, for the people of China—any part of it—are not Bolshevistic as the term is usually applied. In the Communist group are the students—male and female—and of course the labor element, which latter is now having its hey-day in the Wu-Han. The unions which Wu Pei-fu so ruthlessly suppressed all have been reorganized or are in progress of reorganization. At the very time I am writing the postoffices are closed by a strike that came on over night. Also the strike pickets—uniformed as in Canton—are on the job. Among the foreign concerns which are chiefly concerned in the labor disputes are the British Cigarette Company and the British-American Tobacco Company, subsidiaries of the American Tobacco Company. The troubles there are largely the result of the Wanhsien affair and the general boycott against the British, for the actual labor questions involved in the demands are not so insurmountable as would seem at first glance.

It is a fact also, which should be set down early, that in the wake of the advance of the Red flag of Canton into the Yangtze valley has come a revival of the student unions and the wave of anti-Christianity. Farmers and peasants also are organizing, exactly for what purpose they do not know. For some weeks after the Cantonese came to the Yangtze Valley the missionary element was disposed to accept the students activity as a natural development, but now the evangelists begin to realize that the Bolshevik-inspired students are carrying on an anti-Christian movement as well.

The Leninization of Sun Yat-Sen

Something of an illustration is found in the Leninization of Sun Yat-sen. It has been promulgated by the newly reorganized Department of Education of the Kuomintang government of Hunan and is being extended to other provinces as the Cantonese consolidate their victories. These regulations, with the addition of student control, have been accepted in Changsha by the Yale Mission Schools, the Hunan-Yale School of Medicine, Yale College, the Middle School and other American-endowed Christian institutions. The faculty of Yale-in-China has consented that the course in Comparative Religion shall be optional, and also that student attendance at all assemblies except on Mondays shall be voluntary. On Mondays attendance is compulsory, as the morning hour then is devoted wholly to the deification of Sun Yat-sen.

The instructions of the Hunan Department of Education are:

(1) A memorial service for Sun Yat-sen must be held during the first hour on every Monday. At this meeting the will of Sun Yat-sen must be read and a patriotic address delivered. (The faculty decided to leave this Monday meeting entirely in the hands of the Chinese members of the staff.)

(2) A portrait of Sun Yat-sen must be hung in all schools and the Kuomintang flag, a square of blue sky with a white sun, all on a field of red, must be used.

(3) In teaching Civics all teachers must make use only of the material found in the most famous of Sun Yat-sen's books.

The Student Union also has succeeded in tying the hands of faculty in other ways, has gained representation at faculty meetings when student discipline is considered and has won its point that mail shall be delivered only through the Student

Body and not through the staff of the school. Thus propaganda is guaranteed circulation.

The temper of the Bolshevist-inspired movement from Canton is also illustrated in the case of the Wesleyen Mission at Liuyang, a county-seat some thirty miles east of Changsha, from which the seven missionaries were driven by the newly-formed peasants' union and student union without even an opportunity to gather together their belongings. There the demands were as follows:

(1) Teaching of the Scripture, church services and morning prayers must be abolished.

(2) The Vice Principal and Treasurer (both Chinese) must be dismissed.

(3) No master shall be engaged except with the consent of the students.

(4) No student shall be expelled except with the consent of the student organization.

(5) Less English is to be taught in order to permit more time for the study of the works of Sun Yat-sen and Communistic books.

(6) Freedom must be granted the students to join any political organization.

If all that is not Red, then one is seriously mistaken. But it would be a grievous error to assume that the older and more conservative Chinese who subscribe to the Kuomintang cause also are Reds. Some of them may be Red; many of them are Pink. But as stated at the outset one must wait to see how things come out in the wash.

The leaders of course assert that the movement is not Red or Communistic and that is the set argument of the chief of the political division of the Nationalist army, General Teng Yen-ta. As with all the other leaders, he is a young man, and nearly all of them are foreign-trained, most of them at the expense of the returned American Boxer indemnity. General Teng is a graduate of the Military Academy at Paotingfu—the West Point or Sandhurst of China and after his graduation he studied in the military academy in Japan. After that he spent some years in Germany, where he specialized on the Prussian military system.

General Teng's Policy

I was prepared for frank speech when the time came for the interview with General Teng. He had removed his headquarters from Hankow to Wuchang, which city hopes eventually to be the capital of the Kuomintang government, although not, of course, until the entire Yangtze valley is in its grip and the liason with the Northwestern army of Feng Yu-Hsiang has been formed.

"I want to assure you at the outset," began General Teng, "that the Nationalist government and the Kuomintang, which are one and the same, have no secrets from anybody. The policy of the Nationalist government is to do everything in the open. The object of our expedition is not only to fight with other armies, but to work for the reformation and reconstruction of China. I might thus summarize our true intentions and policy: (1) To do everything openly and justifiably and with nothing done in secret. (2) To unite the army and the people. (3) To educate both to work harmoniously for the betterment of the whole nation.

"China's first revolution occured about the middle of the nineteenth century (the Taiping rebellion), but it failed, due in no small part to intervention in behalf of the Imperialists by the foreign powers. This revolution was under the leadership of Hung Shui-Chuan, who united the workmen and laborers. It failed, due to lack of organization and was utterly broken up by the Ching dynasty with the aid of certain foreign powers. Need I mention 'Chinese' Gordon in this connection?

Yuan Establishes Feudal System

"After the lapse of another half century Sun Yat-Sen launched a new revolution in behalf of the people, but due to lack of organization and the lack of definite principles he too failed, for while he succeeded in overthrowing the monarchy he was robbed and cheated by Yuan Shih-Kai. Dr. Sun lost the confidence of the people and it was impossible for him to carry the conviction that he was working for them. Yuan grabbed the fruits of victory, but laid the foundation for the new government in the form of a feudal system based on militarism. He tried to make himself all-powerful and actually endeavored to set himself on the throne as Emperor.

"With the establishment of Yuan's feudal system the provincial governors became more powerful with each day, and under the rule of the militarists the conditions in China have become steadily worse. These militarists have become financially independent and some of them actually control entire groups of provinces. The militarists who succeeded in overthrowing the Peoples' revolution in the year following 1911 had the support of the foreign powers, whose representatives, in the hope of preserving their unequal treaties, aided the feudalists with large loans and great supplies of arms and other equipment.

"But the spirit of the revolution has lived on and at last is making headway. Our object is two-fold: first, to deliver the people from the suffering imposed upon them by the militarists, and second to remove the unequal treaties which fetter us. The militarists and those sympathetic with them condemn the Nationalist government as being Red, Communistic and Bolshevik, but they employ these epithets merely as weapons.

Two Counter Acting Forces in China

"There are two counteracting forces in China to-day. One is revolutionary; the other is anti-revolutionary. The first is based on the principle of freedom and equality of the people, and the second on the maintenance of the feudal system. In their efforts to defeat us the feudalists try to make us out to be anti-foreign because of our natural aspiration for freedom from the onerous treaties that bind us.

"But I wish to assure you and all other foreigners of two things. Our first aim is to deliver the people from economic and political suffering. When the success of the revolution is assured, the co-operation of the foreign powers must be sought for. I urge all foreigners not to let themselves be deceived by such diplomats in China to-day who favor the continuance by the militarists of their feudal system.

"You must realize that when the revolutionary movement has become a success, and when the people are free, equal and independent, that the economic condition of the people of China will be improved. And so you foreigners must realize also that in those circumstances you will not lose, but will enjoy even greater economic benefits from the better living conditions of the people and their greater purchasing power.

Kuomintang Not Anti-Foreign

"It has been asserted that we are anti-foreign. This is an untrue statement and circulated chiefly by those interested in the continuance of the present feudal system. The Kuomintang and the Nationalist Army have not at any time shown any attitude of anti-foreignism, but there has been a certain foreign hostility towards us, and this has brought about a natural resentment. Even this is being cleared up as our motives are becoming more clearly understood and less credence given to the misleading statements poured into the ears of the foreigners by the militarists and their tools in Peking.

"Let me assure you that when the Nationalist government achieves success everybody will enjoy the benefits to which they are entitled, you citizens of foreign powers as well as the Chinese people. When China achieves her freedom from the feudal militarists, then she will proceed to achieve her freedom from the unequal treaties that fetter us. We cannot but feel that when the people have achieved their freedom the foreign powers will look upon our national aspirations with favor and will co-operate with us rather than antagonize us in bringing about the remedial measures that are so evidently required, once a real government of the people is established and our treaty engagements can be enforced by popular will and not for the benefit of the military oligarchy that has grown up in China and which is robbing the people, both Chinese and foreign alike."

Money in Chinese Warfare

And there you have the view of the head of the political division of the Nationalist army. This political division does another thing besides propaganda. It saves the fighting division of the army from the expenditure of money upon the forces opposing it. Changsha, Hankow, Wuchang and Kiukiang all were taken by the application of money at the battle front. Thus a door was opened and the small forces of the Cantonese walked in with a minimum of fighting. All this may not be ethical, but who can discuss ethics in a Chinese war?

So, Red or Pink, the sun of revolution is drifting down the Yangtze and with Shanghai as the immediate objective. In the wake of the army come the anti-Christian students, the Communist agitators and the strike pickets, not to mention the treaty-forbidden taxes that are levied without fear or favor. The Diplomats fondle their precious treaties and are sugar-fed by Wellington Koo in his dual capacity as Acting Premier and Foreign Minister. But it is to be noted that the Diplomats also drop their notes directly into the laps of the local satellites, as evidenced in Canton and Tsinanfu—a mild form of regional recognition if you will, and perhaps a straw in the wind.

Already there is talk of partition or intervention. The appeal of the Elder Statesmen for a peace conference has been rejected by Sun Chuan-fang and the militarists who control Peking; Russian arms and credits remain at the disposal of the Kuomintang. Most of the British interests on the Upper Yangtze are demanding armed intervention, and without reckoning the cost. To do so, in the minds of most observers, would bring Russian armies openly to the aid of the Nationalists under Chiang Kai-shek and Feng Yu-hsiang. Again a World War! Yet there seems to me after six weeks on the Upper Yangtze but one answer to the demand for foreign intervention, if it must come. That is a

joint blockade of every coastal port of China until the Chinese have fought it out for themselves and the militarists have further enriched themselves while exhausting the manpower.

"Better the utter loss of our trade with China than the loss of our men through armed intervention, for China has 440,000,000 of people," said one of the more rational foreign businessmen marooned on the Upper Yangtze, his goods boycotted and his warehouses picketed. "Our treaties are held in contempt and all Chinese factions demand their abrogation or revision. Mark the attitude of Imperialist Peking in the case of the treaty with Belgium. We cannot enforce a single treaty and we cannot now negotiate new ones. Taxes and levies are made without warrant or law.

"Of course, in the event of a naval blockade of China all the Chinese would unite against us, and we foreigners in the interior would be wiped out. But after all, are our own lives any more valuable to our countries than those of our sons whom the interventionists demand shall come overseas in countless thousands to enable us to continue to do business here?"

Red or Pink, Revolution is in the saddle and is riding hard. The Nationalists tell us: "If you don't like it in China and our way of doing business, then get out." Wellington Koo has said in effect to the Belgian Minister, speaking as the representative of the feudalists: "The one-sided treaty which you have enjoyed for so long is definitely finished. If you don't like what we have to offer, the way to the sea is still open to you and your nationals."

Both factions have declared against the treaties. As at present organized neither of them can offer the foreign powers a treaty they would consent to negotiate. China could not withstand a naval blockade as long as the foreign powers could, and the very existence of such a blockade, shutting off all her coastal trade, would force the Chinese factions to settle or compromise their differences. And when they had set up a government the lack of railways and the necessity of communication between the seaports of China might result in overtures to the foreign powers on more favorable terms than are otherwise possible.

Hankow, November 14, 1926.

Mr. and Mrs. J. Harold Dollar Return to China for Five Month's Stay

Mr. J. Harold Dollar, manager of the Dollar shipping interests in the Far East, accompanied by Mrs. Dollar and their two children, J. Harold, Jr., and Alice and Mr. Dollar's secretary, Miss Clarice Hefron, arrived in Shanghai, Saturday afternoon Nov. 20, on the President Taft. Two other children, Robert and Virginia, remained in San Francisco. Mr. and Mrs. Dollar have been absent from Shanghai since June, 1925, most of which time Mr. Dollar spent in a hospital in San Francisco recovering from a serious operation. He is now in excellent health and they probably will remain in Shanghai until next April when they will proceed home around the world.

Mr. J. Harold Dollar

Mr. Dollar stated that his father, and mother had just arrived in San Francisco from their trip around the world prior to his departure for the Orient. He stated that business conditions in the United States continue in a prosperous condition and that plans are rapidly maturing for the amalgamation of the services of the San Francisco and Seattle lines whereby the various ships will traverse a "horse-shoe" route. By the new arrangement the boats will leave San Francisco and after making the ports of Honolulu and the Orient, will return home to Seattle. On the return voyage the boats will make Oriental ports and then return home by way of Honolulu and San Francisco.

A number of friends of Mr. and Mrs. Dollar were at the wharf to welcome them upon their arrival in Shanghai.

Preparation and Marketing of Chinese Tea

BY J. C. HUSTON, U. S. CONSUL-GENERAL HANKOW

(From Commerce Reports)

TWO impressions are left upon the mind of even the most casual visitor to the Orient. One is the charming manners of the Chinese gentlemen, the essence of cultural tradition down through the centuries; the other is the haunting fragance of a cup of Chinese tea. As the Chinese were the first to discover the value of tea as a beverage it is natural to suppose that of all the people who drink tea the Chinese should know more than any other concerning the methods of preparation. The Chinese do not boil their tea. They place the tea leaves in large cups not unlike bouillon cups without handles, and the cups are then filled with boiling water and covered. The covers resemble inverted saucers and are used to strain off the tea, which is drunk without the addition of sugar or milk. The covered cup is raised to the mouth, and, with the fingers of the hand holding the cup, the lid is moved with the forefinger just enough to permit the liquid to flow into the mouth as the cup is tilted.

Cultivation and Preparation for Market

The best Chinese teas are grown on terraced hillsides. The cultivation of tea is a side line, rice and other crops receiving the first attention of the Chinese farmer and his family.

The manufacture of tea according to native methods is much the same as it has been for hundreds of years. There are five distinct processes in tea manufacture—withering, rolling, fermenting, firing, and sifting.

As the name signifies, the withering process consists in drying the leaf, which is usually accomplished by simply laying the plucked leaves out in the sunshine on straw mats and occasionally turning them so that they dry evenly. Under this treatment the tea gradually darkens in color. When a rich green state is reached tests are made to see that the drying is not carried to a point where the leaves become brittle. In unfavorable weather the withering is accomplished in artificially heated rooms, care being taken to see that all stale air and gases are promptly removed from the drying chamber.

The second process, known as rolling, is really a further stage in the withering process. In China this is done by hand, the product being placed on wicker or bamboo trays and rolled backward and forward with the palms of the hands for a period ranging from 30 minutes to an hour. This is to break the cells and to express sap and moisture.

Fermentation Process

The third, or fermentation process, determines whether the product is to become black or green tea. At this state in the preparation the leaves are placed on some flat surface and covered with a damp cloth. The process is sometimes hurried in another way, by the use of covered wicker baskets under which a slow fire is built. This treatment, which usually requires from 2 to 6 hours (depending on the weather and the methods used) is terminated when the leaf takes on a copperish tinge. It is called Hung Cha or red tea of the Chinese. If green tea is desired, the fermentation is either done away with entirely or checked before any change in the color of the leaf occurs.

The most important stage is that of firing, for the flavor of the product is determined in this process. The methods employed are very crude. A basket, measuring about 30 inches in diameter and 3 feet in height, open at both ends, and having a light bamboo bottom placed about halfway up, is the most common receptacle used for firing. The tea leaves are placed in the upper half and the basket is then placed over a charcoal fire. In this manner all remaining moisture is driven off and the desired flavor given to the tea.

The fifth and last process is sifting and grading. The sifting is accomplished by means of a number of sieves, each smaller in mesh than the preceding one. A careful grading of the tea is made after each sifting.

High-Grade Black Teas

The high-grade Chinese teas are not artificially scented. The real Chinese connoisseur of tea delights in the natural aroma, but the American housewife usually robs tea of much of its natural flavor by the addition of sugar and milk. All except the finest Chinese teas must be blended in order to give sufficient strength, and these high-grade Chinese teas are too expensive for the ordinary buyer.

The high-grade black tea manufactured in China is confined to the fine Souchongs, Keemuns and Ichangs, the latter being produced in the Province of Hupeh. These teas sell on their merits, and the buyers are usually a select clientele willing and able to pay the price. As for the rest of the black teas manufactured in China, it is solely a question of price. If they can be marketed several cents under the prevailing rate for India, Ceylon, and Java teas, then they can be disposed of; otherwise, they are a drug on the market.

Scented Teas

Scented Chinese teas have recently become popular with foreigners. Scented tea comes from Foochow, and is prepared by heating certain kinds of flower petals with tea leaves. In some instances the flower petals are left in the tea, while in the preparation of other varieties the process consists in sprinkling a layer of fresh white jasmine blossons over a layer of tea, and repeating the process until the basket is filled. The receptacle is then placed aside until the perfume has thoroughly permeated the tea leaves, which are afterwards separated from the petals. This mingling of the tea leaves and the flowers is repeated until the desired aroma is attained. Then the tea is ready for packing.

The flowers commonly used by the Foochow tea manufacturers are the "chu lan" or white jasmine, "hsiu-kwei," and the "yu lan," a species of magnolia. The jasmine is the most expensive flower used by the Foochow manufacturers. It costs the tea men from $20 to $40 a picul (133⅓ pounds). Scented teas are very popular in China and are always made of high-grade tea leaves. Black tea is scented for the American market.

Brick Tea

Brick tea is exported to Russia in large quantities and is also consumed in large quantities in Mongolia, Tibet, and Chinese Turkestan. The Chinese manufacture brick tea principally for the trade of these regions. From Kalgan, Paotow, and Kweihua the tea bricks are distributed all over the central Asian Plateau by camel trains in exchange for wool, furs, and skins. The only Russian factories at Hankow and Kiukiang which still turn out a limited amount of brick tea are those belonging to the Asiatic Trading Corporation, a British concern of old Russian tea merchants through which organization the Soviets did their buying in 1925. There are several well-equipped brick-tea factories belonging to Russians of the old regime which will probably remain closed for some time.

The methods by which brick tea is manufactured in the large factories of Hankow are more scientific than those used in the native plants at Yanglowtung. Automatic stokers for the furnaces, hydraulic presses, and other labor-saving devices are used. The quality produced in the Russian factories conforms to recognized standards of the trade.

The process by which brick tea is manufactued in these factories is exceedingly simple. Lead molds made up in elaborate designs are placed in the hydraulic presses. A steaming layer of high-grade tea is put into the mold, followed by a thicker layer of coarser grade and capped by a thin layer of high-grade leaves. The cover of the mold is put in place and the mass is subjected to high pressure. The molds are removed from the press and the bricks are allowed to cool, the time ranging from a few hours to weeks. The finished product is packed in bamboo baskets ready for distribution, 80 bricks to a basket with a net weight of 200 pounds. This is typical of the process in all the foreign factories. Tea dust is imported into Hankow from Ceylon, Java, and India to be mixed with locally grown tea leaf and fannings.

Distribution Through Shensi Merchants

The Shensi tea merchants come to Hupeh Province every year and at Yanglowtung they establish temporary quarters. The presses used by the Shensi manufacturers are made of wood. The temporary nature of their operations and the lack of adequate capital prevents these itinerant business men from buying modern machinery.

The principal points from which these Shensi merchants dispose of the brick tea manufactured in Hupeh Province are Kalgan, Kweihua, and Paotowcheng, located on the borders of Mongolia. This native brick tea is divided into three grades, depending upon the quality of the leaves used, prices varying with the grades. Approximately a decade ago the annual export of brick tea from this Province to Outer Mongolia amounted to 350,000 baskets, but recently, owing to disturbed political conditions, the increase of internal taxation, and the decline of Russian trade there has been a serious depression in this native trade.

Hankow as a Tea Market

At one time Hankow, in the Province of Hupeh, was the largest tea market in China owing to the fact that most of the large Russian tea merchants had their factories in this center. With the disappearance of Russia as a large buyer, the importance of Hankow as a tea market for foreign buyers began to decline.

In 1914 the World War put a stop to the regular exportation of teas from Hankow when many of the old tea hongs in Hankow were closed. With the resumption of normal trade relations, the large foreign tea firms doing business in China decided that Shanghai was a more central market for buying teas than Hankow. One or two of the large export firms still send tea men to Hankow, but the number of tea experts who come to this port is decreasing yearly.

In 1925 the Soviet Government came into the Hankow market as a large buyer of teas, but even should the Soviet Government by means of the Centrosoyus, or tea trust, continue to make its future tea purchases in Hankow, it is doubtful if Hankow's former standing as a tea center can ever be revived.

Marketing of Tea

The native tea buyers and brokers go into the tea districts in March, where they establish headquarters and make their financial connections. The tea factories which they open are collecting emporiums where the various field purchases are refired and hand picked in order to remove any foreign substances and stalks.

The local teas are offered to the foreign exporter through tea brokers who represent the owners of the tea. The various grades and chops are offered in small tin cans, on the outside of which is given the designation in Chinese. Similar samples are also sent to Shanghai, timed so as to arrive on the same day that the samples are presented in Hankow. The foreign buyer tests many samples. A small quantity of tea, the weight of a sixpence, is measured out and placed in a cup into which boiling water is poured. The mixture is allowed to stand for about five minutes, regulated by a sand glass, after which the liquid is poured into another cup. The infusion of leaves is then examined as to color and smell, and the liquid is tested for taste and flavor. In case the foreign tea expert is interested, having first received orders from home to buy, he calls for a half chest and if this is according to sample, the entire shipment is ordered into the godown for inspection. It is here that the buyer occasionally finds that the bulk consignment is not up to sample.

As a class, Chinese tea merchants are very conservative; they are at present displaying little initiative in the development of their tea trade and firmly cling to the hope that some day the Russian merchants will come back to Hankow as large buyers of tea. The Chinese merchants have a tea guild in Hankow, but little is done toward improvement in the manufacture and packing of tea.

Chinese Establish Department of Health at Shanghai

Dr. Hu Hou-ki, a graduate of Johns Hopkins University, has just been appointed Deputy Commissioner in charge of the new Department of Health of the Port of Shanghai and Woosung. The new Health Department consists of three divisions, street cleaning department; vital statistics and meat inspection; and disease control and health laboratory, employing five physicians, three of them being western trained men and two graduates of Chinese medical schools. The annual budget for street cleaning has been fixed at $160,000.

Although the new Health Department has been in operation but a short time, considerable progress has already been accomplished in the cleaning and sanitation of streets. A further reform in this connection for next year is the construction of garbage incinerators to dispose of refuse. In order to obtain trained inspectors for the Health Department some 60 students have been selected by competitive examinations from the local public schools and are now undergoing training at Lunghwa in the principles of hygiene and public health in addition to police training.

Perhaps greatest progress has been achieved in the field of smallpox eradication. The Department has published several hundred thousand posters urging vaccination for smallpox which have been resultful in attracting attention of the public. About 120 vaccinations daily are now being made in Nantao and 60 a day in Chapei. There are seven stations in Nantao and two in Chapei where vaccinations may be obtained. There is also a health laboratory where physicians may obtain bacteriological examinations and in addition regulations have been published covering the practice of medicine. The Board of Health is composed of six trained physicians and six local citizens and holds monthly meetings to consider public health questions.

Mr. Lyall's Views on Sino-Foreign Relations

The following is a report of an address delivered recently before the Union Club of China, Shanghai by Mr. L. A. Lyall, for many years Commissioner of Customs at Shanghai. Mr. Lyall, who is now retired, is of British nationality.

IN one way, China is very far ahead of Europe. The races and inhabitants of China are all related as the races and inhabitants of Europe are. Their civilization is one in origin just as the civilization of Europe is. But I do not think, that the Cantonese is more closely related to the Pekinese than the Italian is to the English. Yet the Chinese have united into one empire which has stood for thousands of years. Europe has never reached that stage. But if Europe is ever united into a federation of states it could not be governed as a centralized state. The same applies to China.

Yuan Shih-kai's Failure

One of the chief causes of the Revolution was that the Peking Government tried to monopolize all power. After the revolution the Provinces were for a time almost autonomous. Then Yuan Shih-Kai tried to unite China by force under his sceptre. He failed lamentably, and where Yuan, who was a big man, failed of course the much smaller men that succeeded him failed too. China will never be reunited by force. I do not mean that armies will play no part in the unification of the country, but I think that big armies will not do it. Disciplined armies will. An impression I gained when I was in Peking was that, since Feng Yu-hsiang left all the coolies want to see his soldiers back. not that they have any sympathy with his political ideals, all they want is peace and to be left alone. Feng and his men did that. But they are less fortunate under Feng's successors, who rob them of their property and constantly molest their womenfolk. It was told me and generally believed—though I cannot vouch for its truth—that the troops who took the place of Feng's men in the villages round Peking insisted on the wives and daughters of decent Chinese farmers serving them naked. It shows what a reputation in Peking these men have. They are a much greater danger to the men that employ them than to their enemies.

Turning to the subject of progress in China, Mr. Lyall said that, if there was to be a real revolution, new men must be found. It was no use changing the government if the heads of the government were not changed. The officials of the Republic after the Revolution were officials of the old *regime* and they had old ideas which they retained. To-day, this was not so. The leading men of China, Chang Tso-ling, Feng Yu-hsiang, Sun Chuan-fang and Chiang Kai-shek, were men who had risen from the people, men who had character and ability and men who were able to introduce changes. There must be new men.

The English and Chinese

There were many people, the speaker continued, who complained that they could not understand the Chinese. It is difficult to understand anybody else thoroughly, especially if you cannot speak his languge. But I do not think it is more difficult for an Englishman to understand a Chinese than for him to understand a Frenchman. There is a great deal in common between the English and the Chinese peoples: they have a deep sense of humor, they have the same practical views, they do not carry logic to an extreme both are out for compromise, they have no dogmatic religion, and a keen sense of fair play. In all these things they are alike. There is no reason why the Englishman should not understand the Chinese very well. Not content however, with saying they that cannot understand the Chinese, they add that "Chinese understand only force." This is uterly untrue and in private life we all know it is untrue. The business man who is good tempered and courteous succeeds. An overbearing man can not do business in China and the same with out servants. A kind and considerate master gets good servant, a harsh hill-tempered master gets bad servants, and he does not even get his own way. The servant always has something up his sleeve to dish his master if he is not treated fairly. And why assume that what is true of the scores of Chinese we do know is untrue of the millions of Chinese we do not know? For all Chinese have been educated for thousands of years on the Chinese classics, and these go on respecting over and over again that might is not right. Yuan Shih-kai was an exception. He believed thoroughly in the rule that might is right. Yuan was responsible more than any other man for the state of affairs in China to-day. But Chinese do not admire weakness, weakness is pitiful all the world over.

Mr. Rodney Gilbert

Among the minor matters which have done great harm to Anglo-Chinese relations is publication of Rodney Gilbert's book "What's Wrong with China". Mr. Gilbert is a clever man, who knows the Chinese well. My friends tell me that everything Mr. Gilbert says is ture. I do not doubt them, but truth does a great deal of harm at times. The greater the truth, the greater the harm. Mr. Lyall then proceeded to give a few illustrations, and expressed the hope that Mr. Rodney Gilbert's book, after a few years, would be out of print and forgotten. Another thing which had done great harm to their relations with China and the Chinese people was the English press and the spirit in which their comments written, much in the style of Rodney Gilbert's book. Mr. Lyall realized that it was the business of the English press to point out grievances, etc., in China, but he thought that aliens in this land should be more discreet. It was extremely desirable that articles should be written in such a way that they did not offend the Chinese. It was not easy to see what could be done: but he would make one practical suggestion, and that was that all English papers published in China should be published in the Russian language and then the Soviet would be given the benefit of the ill-will and not the Engiish people (laughter).

The Student Movement

Referring to the student movement, Mr. Lyall said that there was a great deal of misapprehension here. The importance of the student movement could not be over-estimated. It was customary to speak of the students as half-baked boys who should be whipped and sent to bed. The Chinese merchants did not play a large part in Chinese politics, the speaker continued, because they were rich and chiefly occupied in looking after themselves. It was not surprising that in the present state of China they were very timid and that therefore their actions had little or no influence with the Chinese Government or with public opinion. Neither did the Tuchun matter much. They were here to-day and gone to-morrow so their influence was slight. The students and the student classes were the only people that mattered. True, they were young and sometimes unwise. They were often undisciplined and unreasonable, when they thought they had been wronged their methods to get their own back had been unscrupulous. But the students were unselfish and patriotic, and had the courage of their convictions and they should be given credit for it.

"If we are to do business in China, it behoves us to get on with them. It will not be easy, but it can be done, if we make up our minds it must be done. The English do not want anything from China except to exchange their goods for Chinese goods and do business peacefully.

Tariffs and Treaties

Mr. Lyall went on to mention that he had been a member of two Tariff Conferences in recent years. The merchants brought forward their grievances, such as drawbacks, bonds etc., but he pointed out to them that these were matters for the commission on the revision of treaties. He was astonished to learn that none of these questions had been raised at the conference in Peking. The whole attention seemed to have been devoted to the claims of certain gentlemen who had lent money to Peking on insufficient security, and who wished to have their bad debts converted into gilt-edged securities. They might have to be given their pound of flesh, but if they did, he did not think that it would tend to raise the foreigners in the estimation of Chinese public opinion. We should be much more likely to reap hatred than good will.

Mr. Lyall then turned his attention to treaties and treaty rights. If these worked to-day, he said, it was not on account of the wisdom of those who drew them up but solely on account of the genius for compromise of the Anglo-Saxon races and Chinese. But there is a limit to what can be done by a genius for compromise. The Shanghai Land Regulations need revision. Take the Customs clauses of the treaties, he said. These were drawn up in the days of the sailing ships and were not adapted to to-day. There ought to be revision lock, stock, and barrel. The extra-territorial clauses of the treaties were drawn up in the days when a few white men were huddled together in the Settlements, which they never left. If any one ever went into the interior they were people who could look after themselves without any treaties. Now Settlements were spread over the country like measles, and there were thousands of people travelling and living in the interior who knew nothing about the Chinese. In consequence of this the Chinese properly felt that the extra-terriorial clauses were unfair to them.

Sir Robert Hart

Sir Robert Hart had said 25 years ago that they ought to be abolished altogether. China is no longer as peaceful as it was then: but Mr. Lyall still thought that these extra-territorial clauses of the tracties need revising.

"I have spokenwith perfect frankness," concluded Mr. Lyall, "for what I have said binds nobody. I am neither a British official nor a British merchant nor a British missionary. I speak only for myself."

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The Problem Republican Government in China

BY N. BARRYMAINE

IN analysing the problem of China it is recessary to understand something of the traditions of the Chinese people, their mode of living, their character and their mentality, for in these questions lie the difficulties with which the reformer finds himself confronted. Although their is a burning necessity for reform, it is a much more difficult task than just establishing a new Constitution or a new code of Laws. If that was all that would be required, it would be a comparatively simple task. The question at issue is what sort of an effort will have to be made to meet with the approval of the people and to ensure successful and general enforcement.

China a Land of old Customs

China is a land of old custom, and that is the predominant characteristic of the people that has to be considered. The instinct of the entire population is to do as far as they can what they and their ancestors have always done, and to live as they and their ancestors have always lived. Although changes and revolutions have taken place in their long history, they have only played over the surface, and only modified in a very small degree the character of their essential social life. Students of Chinese institutions maintain that while there has been growth, conditions have not changed fundamentally in the last 3000 years. Where discontent has made itself evidenced, the cry of the people has not been for some untried scheme, but for the restoration of better conditions fondly, supposed to have prevailed in the past.

To change that state of mind, and grounded as it is on many centuries of history and sanctioned by the whole force of that veneration for ancestors, which has hitherto been the chief bond holding society together, is scarcely within the power of legislative enactments or the development of a New Constitution. They are unresponsive to new ideas, and that largely is respornible for retarding the growth and progress of the country. Wide revolutionary changes, have, however, been manifested in certain periods of history, but the success of these measures have been hampered mainly because they were the work of the doctrinaire theorists, and general lack of popular demand, and furthermore, these new measures inevitably called for the appointment of a host of new officials to whom public service appeated as an opportunity for family enrichment. These appointees were usually incompetent, and their personal greed quite naturally costed discredit on the whole reform movement,.

Mental Attitude Changing

The mental attitude of the Chinese nation is no doubt changing, and is becoming evidenced from all sides. New literateure, appliances and conveniences are becoming more prevalent. Perhaps not the least important of these changes is the development during the past thirty years of the Chinese press, which prior to that time did not exist. To-day nearly every important town supports one or more newspapers, and finds thousands of readers, not only in the cities, but in the remotest parts of the country. These changes which have been in progress during the last century, if continued for another century at the same rate, may bring about a modification in the habits and mind of the people, quite as considerable as the revival of learning and the religious reformation of the 15th and 16th centuries did in Europe. It is a similar movement and on the same scale.

But even in the face of this, very much of the old order is still to be seen. China may have reached a stage where modern ideas, that is political, social and economic can be discussed by a himited class, but any trifling check may sweep them away and bury them under the overwhelming mass of ignorance.

Labors Under Despotism and Corruption

China labors under two obsessions, despotism and corruption. They are connected, in fact are consequences, with the root of the better side of their national character. Patriotism, the essential factor for a sound government, has had little chance to develop. Their religion is based mainly on the speculation of scholars, and their sense of duty towards the State or mankind is necessarily feeble. Their standard of moral conduct has had to seek a base elsewhere, and that has been in an exaltation of family obligation. The highest form of virtue has been family loyalty, and they have been willing to sacrifice all other duties to attain that law. Thus we find it supercedes public duty, and stands above mercy, abstract justice and truthfulness. With such a theme, drilled into the minds of the people for thousands of years by philosophical and ethical literature, which is the basis of the Country's education, despotism and corruption have rather been expedients of common prudence, than offences.

China's Social Freedom

Those are some of the difficulties which must be considered when you talk of a democratic form of Government for China. A Government, the fundamental principles of which demand public interest in affairs of State. China has hitherto felt very little need for what we understand by self government or political freedom. She has enjoyed a considerable degree of social freedom, for Chinese Governments have more often erred in the direction of laxity. There has, however, been a decided bent towards theorizing as to the way rulers should comport themselves to their advisors. They have maintained that rulers should be guided by the admonitions of the wise and learned. Furthermore, those advisors should be sincere and fearless. The ruling class was drawn entirely from the educated classes, and was not the reward of aristocratic birth. This system may have fallen short of the ideal, but it has been held up to public admiration for many centuries. Those State examinations, open to all candidates, was similar to the English Civil Service system. Once a successful candidate for official employment has, however, embarked upon his administrative duties, Chinese feeling has always held that it is presumptious on the part of the unofficial public to attempt any sort of participation, or guidance in the administrative affairs. Confucious, writing on this aspect, says: "He who does not fill the post, must not plan the carrying out of its duties." So long as the ruler conforms to the standard of conduct to which the people are accustomed, the public at large not only has no wish to control or interfere, but possibly regards such interference as a gross breach of good manners.

The Government of China, therefore, to do its initiative not from resolutions of public meetings, nor from the wile of electors, but from precedents. The business of the rulers was to tell the people what to do, and find jobs for the relations and dependents of the incumbents of office Government, therefore, came from above and not from the will of the people. We who are used to self-government may be inclined to feel that such a system would breed discontent, but the result has been the contrary.

Old Fashioned Ideas Still Maintained

With the development of an energetic and growing Press, those ways are beginning to yield, but there is still a good deal of conservatism left in China among the soberer elements of the people, and who still consider meddling in affairs of State bad mannered. In such an atmosphere public participation in the Government of the country becomes difficult but by sound and general education during the gradual process of time they may be eradicated.

Prior to the establishment of the Republic, every Government derived its power from "*Tien Shing*" the Commission of God. The Commission, of course, might be revoked, and any national calamity was often considered as a token that "*Tien Shing*" was exhausted and it was the duty of the people to rebel. Thus criticism was frowned upon, but rebellion enjoyed a sanction in public opinion. Apart from force of habit, "*Tien Shing*" was the main support of all Chinese rulers. It is finding a substitute for such a theory that is one of the most perplexing of China's Governmental problems. The solution probably lies in education, and when the people have grown accustomed to the transaction and rational discussion in elective business of all classes of public affairs, and become convinced that laws made through their own representatives conduces to their welfare. But I am inclined to feel, however, that to train the people of China to self government, to overcome their long tradition of history, and prove them capable participators in a real representative system, whose legislative measures could have the sort of validity as expression of the national will that our legislation is expected to have, would require not many years, but many generations. To those interested in an immediate alleviation of China's present evils, this must make despondent reading, but there is ample material in European and American history to justify these remarks.

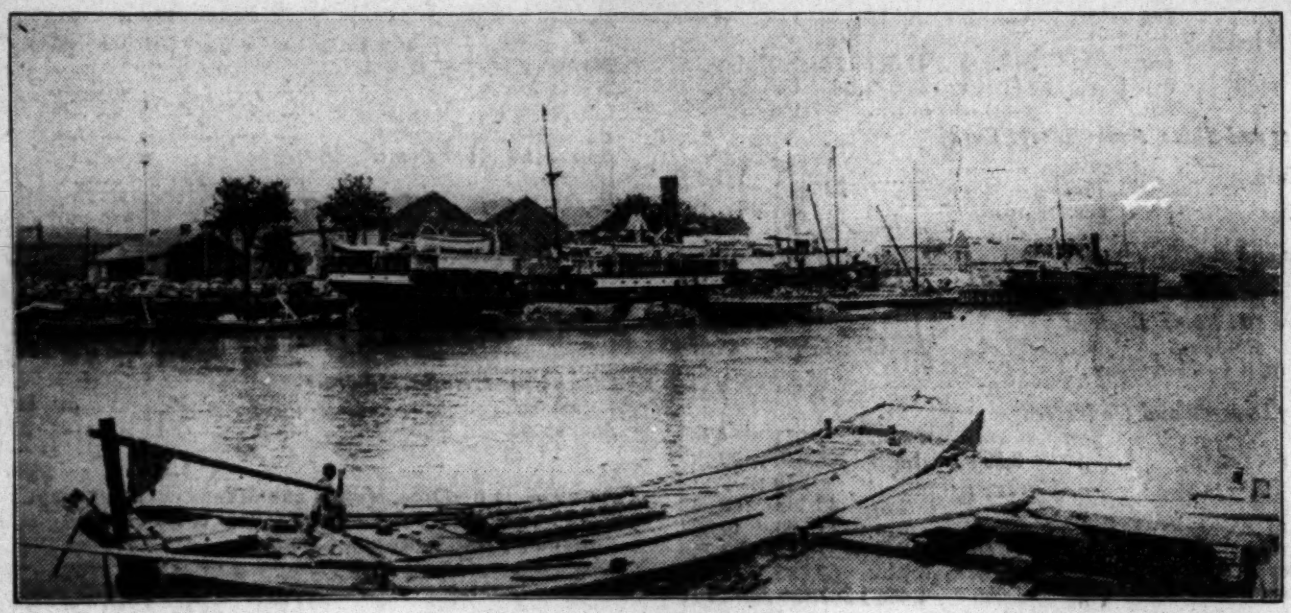
Shanghai Nov. 20th, 1926.

Indian World Cyclists Leave Hongkong

Three Indian cyclists, Messrs. Bapasol, Hakim, and Bhumgura, who have been travelling around the world on bicycles who have been in Hongkong for the last three weeks, left for Canton on their way to Hanoi, November 14th. They were given a grand send-off, two brass bands and a party of local cyclists accompanying them part way.

Another river steamer will be added to the Canton-Hongkong run, when the S. S. *Yueton* will make her maiden trip to Canton from Hongkong on November 16th. As she carries the Chinese flag, the anti-British boycott directed by the Canton Strike Committee will not affect her. The steamer was built by the China Nai Shipyard at Kwongchowwan.

COMMERCIAL SAVINGS INVESTMENT



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Declared Exports to U. S. A. From Shanghai up to Oct. 31

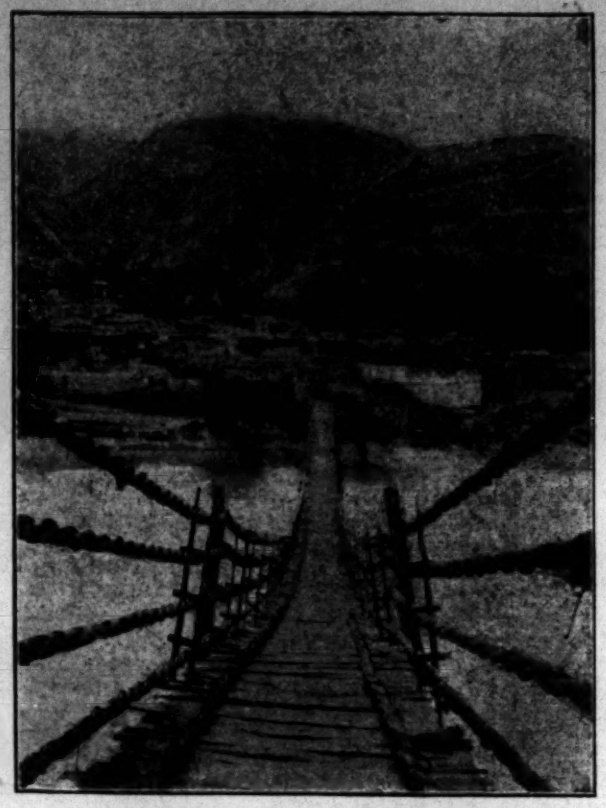
The following table issued by Edwin S. Cunningham, American Consul-General, Shanghai, China, shows the quantities and values of declared exports from Shanghai, China, to the United States for the months of October 1926, and the period January 1 to October 31, 1926, with a comparison for the same period in 1925.

(Value In United States Currency)

Articles	*Unit of Quantity*	*October 1926 Quantities*	*October 1926 Values*	*1st 10 mos. 1926 Quantities*	*1st 10 mos. 1926 Values*
Group 0—Animals and Animal Products, except Wool and Hair (Class 101—9939)					
Meats					
Egg albumen dried	lbs.	161,565	95,891	1,395,201	911,435
„ „ fro.	„	.....	.....	343,720	41,057
„ whole, dried	„	.....	.....	131,324	60,696
„ „ fro.	„	268,800	41,018	768,390	116,354
„ yolk dried	„	232,500	87,279	1,085,137	370,229
„ „ fro.	„	.....	.....	597,396	98,793
Hides and Skins, Raw (Except Furs)					
Buffalo	pcs.	.....	.....	17,889	131,020
	lbs.	.....		725,831	
Cow	pcs.	.....	.....	2,381	8,083
	lbs.	.....		28,371	
Deer and doe	pcs.	.....	.....	23,397	10,632
Goat and kid	„	18,532	17,153	3,539,326	3,321,533
Sheep & lamb	„	57,702	150,973	391,525	729,953
Hides and Skins, Dressed					
Sheep and lamb	pcs.	19,526	20,640	46,672	64,079
Moufflon (pulled Goat Skin)	„	.....	.....	3,425	7,314
Furs, Dressed and Undressed					
Fox	pcs.	.....	.....	971	4,163
Hare & rabbit	„	8,500	1,458	396,030	89,797
Leopard	„	.....	.....	730	9,512
Marmot	„	.....	.....	48,393	68,368
Pahmi	„	.....	.....	21,700	19,084
Raccoon	„	1,760	4,948	37,731	87,756
Squirrel	„	.....	.....	62,885	9,685
Weasel	„	1,000	1,466	1,281,520	2,071,791
Wolf	„	.....	.....	.....	.....
All others	„	669	905	51,452	65,172
Manufactures of Furs and Fur Skins					
Sheep & lamb crosses	pcs.	9,418	61,663	11,470	76,036
Goat & kid crosses	„	2,604	17,923	7,103	27,091
Dogskin mats	„	27,585	75,877	52,568	132,947
Miscellaneous Animal Products					
Feathers	lbs.	130,263	51,314	1,366,418	606,040
Intestines	„	63,292	48,985	1,031,524	909,521
			$677,493		$10,048,141
Group 1—Vegetable Food Products, Oil Seeds, Expressed Oils and Beverages (Class 10311—17801)					
Fruits and Nuts					
Peanuts, shelled	lbs.	.....	.....	12,000	555
Oil Seeds and Vegetable Oils and Fats					
Sesame seeds	lbs.	.....	.....	224,100	10,581
Vegetable tallow	„	1,943	181	1,945	181
Wood oil	gallons	57,000	41,912	264,198	246,174
Cocoa, Coffee, Tea and Spices					
Tea	lbs.	1,323,506	298,883	8,091,015	2,155,134
			$340,976		$2,412,625
Group 2—Other Vegetable Products, except Fibres and Wood (Class 20011—29616)					
Gums, Resins & Balsams, N. E. S.					
Camphor, crude	lbs.	.....	.....	111,408	54,370
Crude Drugs & Essential Oils, N. E. S.					
Camphor oil	lbs.	.....	.....	10,496	990
Rhubarb	„	26,653	5,931	117,893	30,153
Dyeing & Tanning Materials of Vegetable Origin					
Gallnuts	lbs.	.....	.....	304,000	28,073
Tobacco					
Tobacco leaf	lbs.	.....	.....	1,885	357
			$5,931		$113,943
Group 3—Textiles (Class 30011—39593)					
Cotton					
Cotton, raw	lbs.	.....	.....	.....	.....
„ waste	„	163,030	8,778	472,574	36,693
„ laces & embroideries	.....		252,524	.....	1,952,665
„ misc. manufactures	.....		2,061	.....	7,216
			$263,363		$1,996,574
Other Vegetable Fibres, N. E. S.					
Hats, fibre	doz.	250	2,143	2,087	25,233
„ rush	„	26,625	6,466	90,561	38,478
„ straw	„	.....	.....	4,240	8,810
Straw goods		.....	140	.....	25,713
Mattings	sq. yds.	.....	.....	1,796	196
Wool and Hair					
Carpets, wool	sq. yds.	865	6,941	9,454	82,417
Wool, sheep's	lbs.	438,827	81,957	2,393,302	468,209
Hair, human, Asiatic	„	18,720	7,676	235,943	92,516
„ nets human	„	712	5,393	46,454	391,851
„ stumps, human	„	42,040	13,860	764,950	292,832
Silk					
Silk, raw	lbs.	784,324	3,639,520	4,792,423	23,713,916
„ wild	„	23,886	64,029	1,239,263	3,236,720
„ waste	„	336,732	225,723	2,944,377	2,074,696
„ pongee	„	35,021	98,385	246,313	768,456
„ piece goods	„	2,390	12,003	42,356	314,668
„ cocoons, pierced	„	.....	.....	24,010	26,450
„ misc. manuf.	„	.....	6,380	.....	39,500
			$4,433,979		$33,597,235
Group 4—Wood and Paper (Class 40181—48724)					
Manufactures of Wood					
Wooden ware		.....	497	.....	9,457
Lacquerware		.....	423	.....	4,786
Bamboo manufactures		.....	.....	.....	4,584
Books and other Printed Matter					
Books		.....	2,080	.....	17,844
Paper, Except Printed Matter					
Parasols	pcs.	.....	.....	122,659	24,528
			$3,000		$61,199
Group 5—Non-Metallic Minerals (Class 50011—59590)					
Clay And Clay Products					
Chinaware, Porcelain, Pottery, etc.		.....	3,039	.....	19,404
Other Non-Metallic Minerals					
Jadeware		.....	1,302	.....	149,015
Soapstone		.....	2,773	.....	36,051
			$7,114		$204,470
Group 6—Ores, Metals and Manufactures, except Machinery & Vehicles (Class 60011—69999)					
Aluminum, Antimony and Cobalt					
Antimony, crude	lbs.	.....	.....	.....	.....
„ oxide	„	.....	.....	56,000	7,597
„ regulus	„	224,000	23,155	2,340,000	299,848
Copper, Brass and Bronze					
Brass & manufactures of		.....	17,356	.....	221,506
Precious Metals, Jewelry and Plated Ware					
Gold bars	ounces	9,901	200,222	9,901	200,222
			$240,733		$729,173
Group 7—Machinery & Vehicles (Class 70011—79361)					
			NIL		*NIL*
Group 8—Chemicals (Class 80021—87519)					
Chemicals					
Musk	lbs.	34	$4,560	132	$23,891
Group 9—Miscellaneous (Class 90101—99999)					
Art. works					
Art. works of		.....	26,284	.....	185,088
Miscellaneous					
Bristles	lbs.	35,265	26,034	353,478	381,318
Household & personal effects		.....	163	.....	6,272
Unenumerated articles		.....	198,219	.....	2,592,550
Total			$250,700		$3,165,228
Grand Totals			$5,964,486		$50,355,905

RECAPITULATION

	1st 9 months *1925*	1st 9 months *1926*
Group 0—Animals and Animal Products, except Wool and Hair,	$11,891,312	$10,048,141
Group 1—Vegetable Food Products, Oil Seeds, Expressed Oils and Beverages,	1,898,129	2,412,625
Group 2—Other Vegetable Products, except Fibres and Wood,	197,694	113,943
Group 3—Textiles	34,915,888	33,597,235
Group 4—Wood and Paper	101,239	61,199
Group 5—Non-Metallic Minerals	66,607	204,470
Group 6—Ores, Metals and Manufactures, except Machinery and Vehicles	645,030	729,173
Group 7—Machinery and Vehicles	NIL	NIL
Group 8—Chemicals	50,651	23,891
Group 9—Miscellaneous	1,576,261	3,165,228
	$51,342,811	$50,355,905



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D. B. Clark, *Manager.*

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Declared exports through the United States Consulate-General at Shanghai, China to the Philippine Islands for the months of October 1926, and the period January 1 to Oct. 31, 1926.

Articles	October '26 *Values*	1st 10 mos. '26 *Values*
Group O—Animals and Animal Products, except Wool and Hair (Class 101—9939		
Animals and Fish Oils, Fats & Greases		
Lard	$5,911	$63,871
Meats		
Albumen	.....	1,131
Eggs, fresh	81,793	804,273
Hams	18,205	144,102
Manufactures of Leather, Raw Hides or Parchment, N. S. P. F.		
Leather manufactures	793	11,311
Group 1—Vegetable Food Products, Oil Seeds, Expressed Oil and Beverages (Class 10311—17801)		
Fodders and Feed, N. E. S.		
Bean cakes	.....	577
Grains and Preparations Thereof		
Flour	.....	.....
Vermicelli	.....	.....
Fruits and Nuts		
Peanuts, shelled	2,193	22,306
Oil Seeds and Vegetable oils and Fats		
Peanut oil	22,346	231,482
Lubricating oil	.....	3,666
Vegetable Food Products		
Beans	721	83,551
Garlic	.....	44,674
Group 2—Other Vegetable Products, except Fibres and Wood (Class 20011—29616)	NIL	NIL
Group 3—Textiles (Class 30011—39593)		
Cotton		
Cotton laces & embroideries	331	8,060
Cotton misc. manufactures	35,236	420,096
Carried forward	$167,529	$1,839,100
Silk		
Silk, raw	2,141	115,922
„ pongee	.....	2,174
„ piece goods	3,496	26,008
„ misc. manufactures	.....	3,086
Wool and Hair		
Carpets, wool	.....	1,430
Group 4—Wood and Paper (Class 40181—48724)		
Books and Other Printed Matter		
Books	412	2,279
Group 5—Non-Metallic Minerals (Class 50011—59590)		
Clay and Clay Products		
Chinaware, Porcelain, Pottery, etc.	281	1,004
Group 6—Ores, Metals and Manufactures, except Machinery and Vehicles (Class 60011—69999)		
Iron and Steel		
Pig iron	3,410	9,297
Steel bar	.....	7,427
Group 7—Machinery and Vehicles (Class 70011—79361)		
Electric Machinery and Apparatus		
Electric lamps	5,064	32,767
Group 8—Chemicals (Class 80021—87519)	NIL	NIL
Group 9—Miscellaneous (Class 90101—99999)		
Musical Instruments		
Pianos	.....	2,404
Scientific and Professional Instrument Apparatus and Supplies N. E. S.		
Photographic supplies	1,226	7,139
Miscellaneous		
Unenumerated articles	11,696	124,101
	$195,525	$2,174,908

Declared exports through the United States Consulate General at Shanghai, China, to Hawaii for the months of October 1926, and the period January 1 to October 31, 1926.

Articles	October 1926 *Values*	1st 10 mos. 1926. *Values*
Group O—Animals and Animal Products, except Wool and Hair (Class 101—9939)		
Meats		
Eggs, fresh	.....	.....
Egg products	.....	2,996
Manufactures of Leather, Raw Hides or Parchment, N. S. P. F.		
Leather manufactures	.....	122

Group 1—Vegetable Food Products, Oil Seeds, Expressed Oils & Beverages (Class 10311—17801)		
Cocoa, Coffee, Tea and Spices		
Tea	.....	.....
Oil Seeds and Vegetable Oils and Fats		
Peanut oil	.....	641
Group 2—Other Vegetable Products, except Fibres and Wood (Class 20011—29616)		
	NIL	NIL
Group 3—Textiles (Class 30011—39593)		
Cotton		
Cotton laces & embroideries	715	1,570
Other Vegetable Fibres, N. E. S.		
Straw goods	.....	.....
Wool and Hair		
Carpets, wool	475	3,534
Hair Nets, Human	.....	.....
Silk		
Silk, raw	.....	.....
„ pongee	.....	1,409
„ piece goods	1,028	15,666
„Misc. manufactures	947	4,003
Group 4—Wood and Paper (Class 40181—48724)		
Manufactures of Wood		
Wooden ware	193	622
Lacquerware	.....	134
Carried forward	$3,358	$30,697
Books and Other Printed Matter		
Books	240	502
Paper, Except Printed Matter		
Parasols	.....	555
Group 5—Non-Metallic Minerals (Class 50011—59590)		
Clay and Clay Products		
Chinaware, Porcelain, Pottery, etc.	370	2,308
Other-Non-Metallic Minerals		
Jadeware	.....	268
Group 6—Ores, Metals and Manufactures except Machinery & Vehicles (Class 60011—69999		
Iron and Steel		
Pig iron	.....	.....
Copper, Brass and Bronze		
Brass and Manufactures of	462	4,837
Group 7—Machinery & Vehicles (Class 70011—79361)		
	NIL	NIL
Group 8—Chemicals (Class 80021—87519)		
	NIL	NIL
Group 9—Miscellaneous (Class 90101—99999)		
Scientific and Professional Instrument Apparatus and Supplies N. E. S.		
Photographic supplies	.....	.....
Miscellaneous		
Unenumerated articles	1,645	14,804
	$6,075	$53,971

Silk Filatures in Shanghai

(Continued from last issue of the Review)

14. Ting Chong Shun

Address, 293 Hengfeng Road, Chapei, Shanghai Manager, Tsai Ming-sin, Number of laborers, 400; Quantity of silk produced daily, 130 lbs.; Capital, Tls. 10,000; Work started, 1926.

15. Tien Lai

Address, 31 Kung Ho Road, Chapei, Shanghai Manager, Chiu Yu-ting, Trade marks, Dragon and Horse, Number of laborers, 700; Quantity of silk produced daily, 260 lbs.; Work started, 1919.

16. Ta Lai

Address, 31 Kung Ho Road. Chapei, Shanghai Manager, Wang Hsia-lai, Trade mark, Ta Lai, Number of laborers.600; Quantity of silk produced daily, 240 lbs.; Work started, 1919.

17. Chiu Tai

Address, 238 Changan Road, Chapei Manager, Chiang Yu-hsiang, Trade marks, Aeroplane and Chin, Chin Number of laborers, 600; Quantity of silk produced daily, 250 lbs.; Capital, Tls. 40,000; Work started. 1925.

18. Lung Chi

Address, 17 Changan Road, Chapei, Shanghai Manager, Tong Pin-chien, Trade mark, Bamboo Grove, Number of laborers, 800; Quantity of silk produced daily, 260 lbs; Capital, Tls. 30,000; Work started, 1922.

19. Chiu Kang

Address, 17 Changan Road, Chapei, Shanghai Manager, Pan Tsing-ching, Trade mark, CS; Number of laborers, 250; Quantity of silk produced daily, 100 lbs.; Capital, Tls. 10,000; Work started, 1926.

(Continued on page 358)

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TO PUGET SOUND - ELECTRIFIED

Who's Who in China

General Li Ming-chung
李鳴鐘字聲東

Gen. Li Ming-chung, prominent member of the Kuominchun Tutung of the Suiyuan Special District and tupan-appointee of Kansu province, which post he has not yet accepted, is a native of Shenchiuhsien, Honan province, where he was born in 1888. He is a Christian and close associate of Marshal Feng Yu-hsiang, leader of the Kuominchun. He received his early education in the Military Academy of the Three Eastern Provinces and served in the army of the Manchu Empire. In the first revolution in 1911 he served with Feng Yu-hsiang and assisted the revolutionists at Luanchowfu, but was forced to flee. After the establishment of the Republic he rejoined the army as a regimental commander. In 1914 he went to Shensi with Gen. Feng Yu-hsiang and assisted in the formation of the 16th Mixed Brigade, and in 1916 took the 16th brigade to Szechuen and prevented that province from seceding. He protested against the Yuan Shih-kai monarchist movement and again in 1917 helped overthrow Gen. Chang Hsun when that militarist attempted to re-establish the monarchy. For his services in this campaign he was made a Brigadier-General of the 21st mixed brigade and later was transferred to the command of the 8th Mixed Brigade. In the winter of 1924 he assisted Feng Yu-hsiang in the occupation of Peking following the defeat of Marshal Wu Pei-fu by Chang Tso-ling. Gen. Li had charge of the transport of Feng's army in the march on Peking which made President Tsao Kun a prisoner. For this service he was promoted to a full generalship and was made tutung of the Suiyuan District and was offered the tupanship of Kansu. He holds the rank of Kanweichiangchun.

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Malariol: World distributor of Malariol, an anti-malarial remedy, wishes to appoint reliable agent in China to introduce this product.

Electrical Automobile Replacement Parts: Manufacturers of extensive line of Electrical Automobile Replacement Parts are desirous of securing an active salesman in China to represent them on a commission basis. Descriptive leaflets on file at this office.

Kidskin, Weazel, Marmot & Other Furs: Firm importing furs wishes to make connections with responsible concern or commission agent in China, who is in a position to ship Kidskin, Weazel, Marmot and other Furs.

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20. Tai Lai

Address, 238 Changan Road, Chapei, Shanghai Manager, Wang Wei-ching, Trade marks, Dragon and Horse, Number of laborers, 700; Quantity of silk produced daily, 260 lbs.; Work started, 1921.

21. Yuan Yuan

Address, 17 Changan Road, Chapei, Shanghai Manager, Wong Fu-ching, Trade mark, Yuan Yuan, Number of laborers, 500; Quantity of silk produced daily, 240 lbs,; Capital, Tls. 20,000; Work started, 1916.

22. Chiu Shin

Address, 17 Changan Road, Chapei, Shanghai Manager, Hsu Tao-sheng, Trade mark, Silkworm, Number of laborers. 500; Quantity of silk produced daily, 170 lbs.; Capital, Tls, 20,000; Work started, 1926.

23. Zung Fong

Changan Road, Shanghai Manager, Wang Ching-fan Trade mark, Gold Mulberry Tree Number of laborers, 700; Quantity of silk produced daily, 230 lbs.; Work started, 1922.

24. Chiu Ta

Address, 44 Kuangfu Road, Shanghai Manager, Wang Chih-ching, Trade marks, Blue Dragon and Steed, Number of laborers, 550; Quantity of silk produced daily, 250 lbs.; Capital, Tls. 30,000; Work started, 1924.

25. Cheng Ta

Address, 77 Changan Road, Chapei, Shanghai Manager, Chow Yu-wen Trade marks, Autumn Moon and Butterfly & Cat, Number of laborers, 700; Quantity of silk produced daily, 250 lbs.; Capital, Tls. 40,000; Work started, 1923.

26. Yia Chong

Address, 77 Changan Road, Chapei Manager, Wang Pao-chi, Trade mark, Horse, Number of laborers, 300; Quantity of silk produced daily, 100 lbs.; Capital, Tls. 20,000; Work started, 1926.

27. Jui Feng

Address, 89 Changan Road, Chapei, Shanghai Manager, Tsao Chin-ku, Trade marks, (TS) and Gold Flying Dragon, Number of laborers, 600; Quantity of silk produced daily, 200 lbs.; Capital Tls. 30,000; Work started, 1919.

28. Shen Chong

Address, 89 Changan Road, Chapei, Shanghai Manager, Wang Chih-pei, Trade marks, Peony Blue Dragon and Steed, Number of laborers, 800; Quantity of silk produced daily, 250 lbs.; Capital, Tls. 40,000; Work started, 1926.

29. Heng Chang

Address, 293 Heng Feng Road, Chapei, Shanghai Manager, Tsai Min-sin, Number of laborers, 400; Quantity of silk produced daily, 130 lbs.; Capital Tls. 10,000; Work started, 1925.

30. Ssu Chang Yung

Address, I Nan Mei Yuan Road, Chapei, Shanghai Manager, Chang Tsu-tsai, Trade marks, Bayard, and Griffon; Number of laborers, 600; Quantity of silk produced daily, 200 lbs.; Capital, Tls. 40,000; Work started, 1920.

31. Yia An

Address, 63 Kuangfu Road, Chapei, Shanghai Manager, Chang Yung-sheng, Trade marks, (WTK) and Buddha Chop, Number of laborers, 600: Quantity of silk produced daily, 180 lbs.; Capital, Tls. 30,000; Work started, 1911.

32. Pai Ssu Fu Chi

Address, 55 Kuangfu Road, Chapei, Shanghai Manager, Chu Chi-tong, Trade marks, Gold Bear and Tien Zen, Number of laborers, 600; Quantity of silk produced daily, 170 lbs.; Capital, Tls. 50,000; Work started, 1919.

33. Ssu Chang Shen

Address, 215 Changan Road, Chapei, Shanghai Manager, Chen Ming-shan, Trade mark, Bayard Number of laborers, 600; Quantity of silk produced daily, 180 lbs,; Capital, Tls. 40,000; Work started, 1917.

34. Ssu Chang Fu

Address, 294 Hengfeng Road, Chapei, Shanghai Manager, Shih Shing-sheng, Trade mark, Tien Zen, Number of laborers, 600; Quantity of silk produced daily, 200 lbs.; Work started, 1916.

35. Ho Feng

Address, 94 Changan Road, Chapei, Shanghai Manager, Huai Siao-chin Trade mark, Two Babies Number of laborers, 600; Quantity of silk produced daily, 200 lbs.; Capital, Tls. 20,000; Work started, 1926.

36. Shen Kang

Address, 8 Kuangfu Road, Chapei, Shanghai Manager, Wang Chih-pei, Trade marks, Peony and Blue Dragon, Number of laborers, 600; Quantity of silk produced daily, 200 lbs.; Capital, Tls. 40,000; Work started, 1926.

(To be continued in next week's issue of the Review).

News from South China

All passenger and freight junks plying Canton and inland towns are refusing to load taxable cargo so as to avoid dealing the *likin* or transit tax collectors. This action has been forced on the ship owners by the exhorbitant rate of taxation and the delay caused to traffic by collectors unwilling to clear vessels unless the tax demanded is paid. The result is that merchants are unable to ship large quantity of goods; the vessels have to lose freight receipts; and the collectors have no cargo to inspect and assess the tax. The Kuomintang, to which this deadlock has been referred, has not been able to do anything.

Mr. Chang Yung-fuh, recently oppointed Mayor of Swatow, is planning to issue a municipal loan of $500,000 for public improvement purposes. It is being suggested that the Municipality should take over the water and light plants of the port and appropriate $100,000 to each of the public park and public museum authorities.

Swatow will be strongly fortified during the coming military campaign of the Kuomintang Army against Chekiang by way of Fukien, and the entrance to Swatow Harbor will be mined, according to present military plans. The Kuomintang authorities in Canton are commandeering vessels of the China Merchants Navigation Company in Canton waters for troop transportation service.

Deferring to the demands of the dismisssed workmen of the Kwangtung Arsenal at Shekcheng, near Canton, who one time threatened a general strike with all mechanics in Canton in their sympathy, the Kuomintang Central Executive Committee has re-instated most of the present unemployed to the plant which, it is hoped, will resume operation soon. The Kuomintang has, at the same time, expressed a desire that, henceforth, the workmen should turn out a definite amount amount of work within a specified period.

Eugene Chen T. Y. Soong. George Hsu Chien, Sun Fo, Madame Sun Yat-sen, and other Kuomintang leaders left Canton, travelling overland, for Nanchang in Kiangsi, November 16th.

The unfavourable climatic conditions prevailing during the early seasons of the silk crops in Canton and vicinity 1926 together with difficulty connected with the anti-British boycott have been responsible for the shortage of Canton silk export this year, according to comments in the Chinese Press. So far this year, only some 29,894 piculs have been shipped, bringing in a return of H. K. Tls. 22,642,500.

The Kuomintang Foreign Office in Canton has just announced the establishment of an Overseas Chinese Bureau to look after Chinese emigration matters and to register overseas Chinese marriages, births, and other matters abroad involving property rights at home and other matters.

Hongkong Chinese strikers who went up to Canton during the height of the boycott movement in June, 1925, when they were then given free lodging in houses then vacant, are now being asked to vacate their temporary homes or pay the usual rentals. Many landlords in Canton, including the French Catholic Mission, have been allowing their property to be occupied by workmen free during the enforcement of the boycott and pending the return of Canton-Hongkong traffic; but now since the Strike Committee is to wind up its affairs, it is thought time for those having enjoyed the hospitality of the property-owners to look for other lodgings.

The radio station of the Canton East Parade Ground, capable of connecting with Shanghai under favonrable weather, and now being repaired, may not be ready to render any service for another two months, as some parts must be imported from Germany. The station, erected more than ten years ago, has been out of commission for some time.

The Canton Normal School for Girls, one of the public institutions of the Southern Capital, may have to be closed at the end of the present session, because of lack of money, according to report of Miss Liao Ping-yun, the principal, who is asking the Kuomintang to pay up the arrears of the teachers salaries for the past eleven months. Many of the teachers have already resigned.

Owing to the protest of a majority of the shareholders of the Sunning Railroad in the Szeyap districts of Kwangtung, Kuomintang which at first took over control of the line pending the settlemens of a dispute between the employes and the employers over wages, will relinquish control before the end of the six months. Most of the shareholders of the line are Chinese residents in America and Hongkong.

A number of tobacco warehouses at Chiang Hai Loo, Canton, were destroyed by fire on November 19, when some $500,000 or more worth of tobacco leaf alone was said to have been lost. The leading dealers of this trade were

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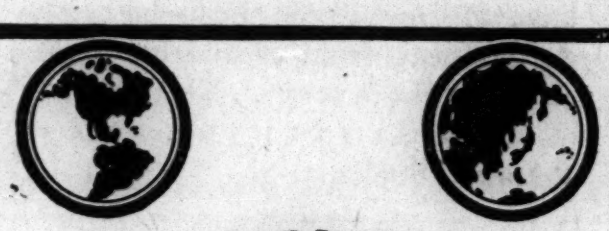

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involved, including Him Yick, Wing Fung, Tai Chong, Ta Shang, Hung Yee On, Kwong Yuen Hing, and other well-known firms.

Foreign liquor on sale in Canton will be subject to a special tax of 20 per cent, in addition to the usual stamp duty on wine and tobacco, according to a recent notification of the Kuomintang Ministry of Finance.

On order of the Kuomintang Provincial Executive Committee, the Canton Police have notified all theatres, both dramatic and cinema, to first display the picture of the late Dr. Sun Yat-sen before the show may begin.

All newspapers published in Canton have been ordered by the Kuomintang to insert under their names regularly the last testament of the late Dr. Sun Yat-sen.

The Kuomintang authorities in Canton have agreed to release the S. S. *Shing Ming*, of the Canton-Wuchow run, after having detained her for nearly a year on charge of smuggling opium. The Kuomintang authorities have now agreed to accept as evidence that the opium hidden in cargo for which bills of ladings have been issued should relieve the master of the vessel from responsibility.

Kuomintang enrollment in Cantan is reported to be 74,000 in all clubs, some 14,000 of whom may be considered loyal members.

The Canton Strike Committee enforcing the anti-British boycott is soon to wind up its business, owing to lack of support and interest shown to its activities by the present ruling party in the Southern Capital.

Motor-car drivers in Canton have decided to admit into their union all Hongkong Chinese drivers who may be able to produce Hongkong licenses. The licensing of motor-car drivers in Canton is within the function of the Bureau of Finance, and a driver is usually tested before being granted a license. But strikers who went to Canton during the trouble and left their licenses behind in Canton may be admitted on certificate of three members of good standing.

The China Navigation Company S. S. *Sunning* may not be able to resume her Hongkong-Shanghai run for at least a month, a she is now under repairs at Hongkong. The vessel, as previously reported, was attacked near Swatow on November 15th by 40 pirates who embarked at Shanghai and Amoy previous to the hold-up. The officers of the ship succeeded in regaining command of the bridge and held out until the 16th, when rescue parties finally brought her back to Hongkong. Eleven pirates were killed by officers of the ship and at least thirteen were captured by rescuing parties, including H. M. S. *Bluebell*, the marines in which boarded the *Sunning* and guarded her untjl she safely reached Hongkong. One Mr. H. W. Lapeley, of Shanghai, another European passenger on board with Mrs. Prokofier, were still missing when the latest searching party returned, while the lady reached Hongkong. Now more than 30 passengers, perhaps some being pirates involved, are being held in Hongkong for examination. The officers of the *Sunning* were captain, J. Pringle; chief officer, T. P. Beatty; second officer, J. W. Hurst; chief engineer, G. Cormack, (wounded while officers struggling with pirates) second engineer, W. Orr; and third engineer, A Duncan; and wireless operator, Mr. Luk.

The Canton government has refused to accept the powers note on the Canton surtax question and states that the Kuomintang would soon be in a position to force both Peking and the Foreign Powers to accord it recognition. The Canton Kuomintang Foreign Office has published a statement that the Party would be ready to discuss the surtax and the question of rights to search foreign vessels only when the Diplomatic Corps in Peking would recognize the Kuomintang as a Chinese national authority. The Kuomintang is claiming the occupation of the Provinces of Kwangsi, Hunan, Hupeh, Kiangsi, and Fukien, in addition to Kwangtung. Beyond this, it also claims to have the goodwill and support of the Kuominchun Army under the "Christian General" in Kansu.

The "anti-Reds" in Kwangtung are not idle, it is understood; but they lack popular support among the Southern Chinese, a majority of whom are still indifferent as to which way the wind blows, while those who are interested in public affairs seem to have joined the Kuomintang movement, leaving some disappointed politicians and unemployed militarists to enrol in the "anti-Red" movement. Only those Chinese merchants who have been exiled by the Kuomintang since the late Dr. Sun Yat-sen's suppression of the volunteer movement appear to be most active in trying to oppose the party they call "Red."

On November 12th, the 61st anniversary of the birth of late Dr. Sun Yat-sen, all labor union quarters and public buildings were decorated in his honor.

Canton, November 20, 1926.

Men and Events

The annual Chrysanthemum Show was held in Shanghai at the Town Hall last week.

Hsu Tung-fan, commissioner of foreign affairs in Shantung province arrived in Shanghai last week.

Dr. W. Rector-Smith and Mrs. Smith have returned to Shanghai from an extended vacation in the United States.

C. E. Gauss, Acting American Consul-General at Shanghai paid official calls on local Chinese officials on Friday, Nov. 19.

Stanley Fryer, business manager of the *Peking Leader*, is in Shanghai on business. He is staying at the American Club.

Sven Hedin, well known Swedish explorer who has conducted many expeditions into Mongolia and Tibet, has arrived Peking.

T. Funatsu, director-general of the Japanese Cotton Mill Owners' Association in China, has returned to Shanghai from a trip to Japan.

Sir Percival Phillips of the *London Daily Mail* is expected to arrive in Shanghai on Saturday, Nov. 27 for a study of conditions in China.

Admiral Williams of the U. S. Asiatic Fleet, accompanied by Mr. Williams, spent reveral days on an unofficial visit at Canton last week.

Mr. and Mrs. R. J. Tozer of Shanghai went to Hongkong last week. Mr. Tozer is ngent in the Far East for the Northern Pacific railway.

J. P. Ferrer, editor of the French paper, *Echo de Tientsin* who has been in Shanghai for several days on business, has returned to Tientsin.

Mr. Saburi, Japanese delegate to the Chinese Tariff Conference in Peking, arrived in Shanghai for a brief visit on his way to Hangchow.

The current number of the *Current History Magazine* contains an article, "The Thorny Problems of China and the Powers," written by James H. Dolsen.

The Cobra Trading Company, an American concern was adjudged bankrupt and a meeting of creditors ordered by the U. S. Court for China on Monday, Nov. 22.

Mr. Yoshida, Japanese Consul-General at Mukden has gone to Tokyo to discuss with the Japanese Government the political and economic conditions in Manchuria.

Dr. A. K. Reischauer delivered a lecture on "Buddhism as a Force in Present Day Japan," before the members of the Royal Asiatic Society on Wednesday, Nov. 24.

An international walking race to be participated in by teams of Chinese, French, Japanese, Scottish, English, Irish, and Americans will be held in Shanghai on Sunday, Nov. 28.

Nyien Yung-kien, prominent Kuomintang leader who has been in Shanghai for some time has departed for Kiukiang to join the staff of Gen. Chiang Kai-shek, commander of the Southern forces.

Miss Shu Ping-kwai, a returned student from Great Britain addressed the members of the Union Club, Shanghai, on Monday afternoon, Nov. 22 on the subject, "Education of Women in China."

Rev. J. W. Kunkle of Canton, China. addressed the Forum of Community Church on Sunday morning, Nov. 21 on the subject, "The Christian Church and Missions under the Canton Government."

A. E. Schumacher, Manager of the Equitable Eastern Banking Corporation who has been home on vacation, returned to Shanghai this week. Mr. Schumacher returned by way of Europe and India.

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Property and stocks belonging to the Asiatic Petrolium Company Destroyed by Chinese strike agitators at the town of Paoking, Hunan province on October 28, were valued at $54,000, according to recent report.

A. De C. Sowerby addressed the China Society of Science and Arts on the subject, "Wild Life of the Yangtsze Delta," on Friday, Nov. 26 at 5:30 o'clock. The meeting was held at the lecture hall of the Royal Asiatic Society.

Two women missionaries Misses E. C. Wright and A. C. Hallock stationed at the town of Nansuchow, Anhwei province, were shot and seriously wounded by a Chinese burglar who entered their rooms on the night of Nov. 13.

On Wednesday afternoon, Nov. 24 the members of the Union Club gave a reception to Mei Lang-fang, famous Chinese actor, at which an address was delivered by George Kin-leung on the subject, "Mei Lan-fang's Art and Some of His Plays."

The Nippon Yusen Kaisha, Japanese steamship line, is planning the construction of a new fast liner to be operated between Shanghai and Kobe in addition to the two boats, Shanghai and Nagasaki Maru which are being operated in this service.

Gen. Bramwell Booth, head of the Salvation Army in London who has been touring the Far East, arrived in Shanghai on Nov. 18 and will remain here for several days. He was the guest of honor at a luncheon given by the Union Club of China on Friday, Nov. 19.

Geo. H. Evans, representative in the Far East for the Simonds Saw and Steel Company, Machinery Company of America, S. A. Woods Machine Company, and Wm. B. Mershon and Company, has arrived in Shanghai and is staying at the American Club.

A men's club, to be known as "Community Church Men's Club" has just been organized in Shanghai, the first meeting having been held on October 31. The officers are, President, A. Q Adamson; Secretary-Treasurer, J. H. Black; Chief Steward, M. C. Guss; Publicist, W. F. Arndt.

A loan of Tls. 1,000,000 offered for public subscription by the Shanghai Municipal Council on Monday morning, Nov. 22 was fully subscribed in the record time of five minutes. The bonds were issued at 99 and bear interest at the rate of 6 pereent and are redeemable between 1936 and 1956.

The Kingdom of Siam, on Nov. 15 promulgated its new Customs Law which has been under consideration since 1614, but which it was unable to enforce owing to various treaties with the Powers, Siam has now obtained complete customs autonomy on account of the lapsing of the treaties.

The China Inland Mission home and chapel at Nanchowting, Hunan province was looted by Chinese soldiers on Saturday, Nov. 20, according to a report received at the Mission headquarters in Shanghai. Mr. and Mrs. F. C. Draffin who have charge of the station suffered no personal violence.

Mrs. Samuel Travers Clover, wife of the publisher of the Los Angeles *Saturday Night*, a weekly magazine well known in Southern California has arrived in Shanghai to visit her son Philip Clover who is manager in China for the Tidewater Oil Company. They are living at No. 11 Verdun Terrace.

Dr. Robert E. Speer of the Presbyterian Chuch, who is traveling in China, delivered the annual Thanksgiving Day address at Holy Trinity Cathedral, Shanghai on Thursday, Nov. 25. There was special music under the direction of L. C. Perry. The Church was appropriately decorated in foliage and flowers.

Mrs. Violet Bilyeu, a resident of Shanghai for several years died at the Country Hospital on Monday, Nov. 22 due to the bursting of a blood vessel in her brain. Mrs. Bilyeu became suddenly ill on Nov. 5 as a result of observing a serious motor car accident and was taken to the hospital in an unconscious condition.

Messrs. Curtis W. Childs of the foreign department of the First National Bank of Boston and Geo. B. Roorbach of the Harvard Business School have arrived in Shanghai after a trip through North and Central China and after a few weeks here will proceed south. They are making a study of the economic situation in the Far East.

J. Merle Davis, who made an extensive tour of investigation of China last spring and summer on behalf of the Institute of Pacific Relations, has just issued an interesting pamphlet under the heading, "Some Observations on China". The pamphlet pays special attention to conditions in Shanghai arising from the May 30 incidents of 1925.

Miss Shu Ping-kwai, a member of the faculty of Chih Tse University and the China National University, addresssd the members of the Union Club of China on Monday afternoon, Nov. 22, her address being devoted to the customs and education of women in modern China. Miss Shu has studied in America, Great Britain and France.

Announcement ——

Toyo Murakami, art and Oriental curio specialists, formerly located at the Palace Hotel on Nanking Road, have removed to their new premises at Corner of Kiangse and Ezra Roads, Shanghai.

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The steamer Ryndam, carrying a party of 600 American university students and professors after two days in Shanghai sailed for Hongkong on Nov. 18. While the party was in Shanghai the students and professors were entertained by Chinese university and college students, the entertainment consisting of dinners, receptions and sight-seeing tours.

The Chinese servant alleged to have assaulted Miss Frieda Frommel on Wednesday night, Nov. 17. was arrested by the French police on Sunday, Nov. 21. Miss Frommel was attacked by the servant who entered her bed room and demanded the sum of $200. When she attempted to call for help the servant stabbed her with a large knife which he carried.

Sir Ronald Macleay, British Minister to Peking was given a farewell luncheon Nov. 19 by the Anglo-American Association of Peking. In the course of an address by the British Minister he expressed the opinion that there were "bad days ahead" in China and urged Britons and Americans to remember their common interest and "stand shoulder to shoulder.

Julean Arnold, American Commercial Attache, with offices in the Dollar Building, Shanghai, has just issued for general distribution an interesting pamphlet entitled, "Salient Facts in Chlna's Trade," which contains an outline map showing distances between chief trade centers of the Far East. Copiees of the pamphlet may be obtained by addressing Mr. Arnold.

Gen. Tan Yen-kai, former tuchun of Hunan and commander of the 2nd Kuomintang Army, has been requested to write the inscription which will appear on the monument to be placed in the cemetery in Chapei, Shanghai, where the bodies of the victims of the May 30, 1925 incident on Nanking Road are buried. The stone will be known as the "Memorial Monument to the Martyrs of the May 30 Incident."

Work has just been started on the laying of the longest ocean cable which will stretch from Bamfield, British Columbia, Canada to Fanning Island, the distance being 3,625 nautical miles. The cable is being laid by the British cable ship Domina which carries four steel tanks filled with cable, each tank accommodating 50,000 cubic feet of cable, and the total weighing 850 tons valued at several millions of dollars.

The town of Shangtsai in Honan province was raided by bandits a few days ago, the raid being the second in six weeks. Foreign missionaries, two women and one man, who resided in the town escaped violence by hiding in a cellar while the bandits roamed the streets looking for them. The missionaries finally escaped to Yencheng. A considerable portion of the city of Shangtsai was burned by the bapgits in the recent raid.

The Foreign Trade Club of San Francisco has just announced the terms of the new American Arbitration Law passed by the last session of Congress for the purpose of facilitating commerce by eliminating delays and proceedings in the adjustment of disputes arising from the conduct of foreign trade. Those interested in obtaining details regarding the new law, may obtain same from Julean Arnold, American Commercial Attache, Dollar Building, Shanghai.

The Hongkong and Shanghai Banking Corporation has brought an action in the U. S. Court for China against the American firm, L. C. Gillespie and Sons of Hankow for the recovery of approximately Tls. 200,000 covering a mortgage on the steamer Mei Ren which was turned over to the bank by the New Engineering and Shipbuilding Works, Ltd., of Shanghai. The Hongkong and Shanghai Bank is represented by R. T. Bryan, Jr., and L. C. Gillespie and Sons by S. Fessenden.

The North China Star, American paper in Tientsin published an article in its issue of Nov 19 stating that Gen. Tang Yu-lin, Fengtien Tutung of the Jehol District, was dumping twenty motorcar loads of opium in Peking and Tientsin. The article stated that the Tutung was being assisted in this work by his son who holds the position of director of the Anti-Narcotics Bureau of the Jehol district. The Tuntung imposes a special tax of $9 per mow on the Cninese farmers who produce opium.

The funeral procession of Gen. Hsia Hung-shun, one of the officers on the staff of Marshal Sun Chuan-fang who was wounded in the fighting in Kiangsi province and who laterd died in Shanghai, was held on Sunday, Nov. 21. The Shanghai Municipal Council loaned one of the S.V.C.gun carriages for carrying the coffin, but owing to the size of the coffin it was necessary to use a motor truck. More than 200 of Marshal Sun's soldiers marched in the parade and in addition the Chinese Company, the S. V. C. also participated.

The various Chinese educational institutions and public bodies which participated in the welcome extended to American college students touring the world on the steamer, Ryndam, or "University Afloat," have published in pamphlet from tne chief Chinese addresses of welcome which were delivered on the occasion. One pamphlet contains addresses by Uug-Fu Shen on "The Basis of Chinese Civilization," "Relations between China and the West," by Chao-chu Wu and a special bulletin by the National Institute of Political Science at Woosung.

Mrs. Magda Artlet was placed under $1,000 bond to insure her good behavior, as a result of an action which was brought against her in the International Mixed Court some time ago by Dr. G. Blumenstock and Dr. A. Rall, German physicians in Shaughai. According to the evidence, Mrs. Artlet had published an article in the *Shun Pao* which it was alleged had libeled the doctors. The evidence showed that Mrs. Artlet had brooded over the death of her husband and had become deranged over the matter. Drs. Wilhelm, Fischer and Vogel repressented the accused while W. S. Fleming represented the complainanls.

Miss Frieda Frommel, Shanghai music teacher and pianist, formerly connected with the American School was seriously wounded on Wednesday evening, Nov. 17 by a Chinese, supposedly a servant who stole into her apartment 923 Avenue Joffre. The tendons of two fingers on both of her hands were severed and in addition she suffered several wounds on her body. Miss Frommel was finally able to run to the residence of Mr. and Mrs. Fitch, next door, who immediately called a physician and sent her to the Country Hospital, where she was attended by Dr. Swan. According to Miss Frommel the servant entered her bed room and demanded the sum of $200 and when she reached for a bell to sumon asistance, tne man attacked her with a knife.

L. G. Cousins and John Gillam, Americans, employed by the British-American Tobacco Company and British Cigarette Company at Hankow, were imprisoned for fourteen hours in the Chinese Bureau of Foreign Affairs in the French Concession at Hankow by striking Chinese laborers on Tuesday, 16, the strikers attempting in this way to force Cousins and Gillam to agree to the strikers' demands. Messrs. Cousins and Gillam were invited to the Bureau of Foreign Affaire in order to discuss with the strike leaders the matter of settling the strike, in the British Cigarette Company's plant but after they arrived, they were held prisoner by the strikers until they finally were released by the American Consul. The strikers demanded the permanent closure of the plant, immediate payment of eight months' wages, China New Year bonus to be paid immediately and the Company' five year providence fund to be handed over immediately.

Developments in the China Situation for the Past Week

The efforts of the Northern militarists and politicians to effect unification as the only means of opposing the advancing tide of the Kuomintang, apparently has been successful, if we are to believe the reports of the military conference which has been in progress in Tientsin for several days. Although the preliminary reports are conflicting one phase of the agreement provides for:

1—General Chang Chung-chang, Fengtien tupan of Shantung to advance into Kiangsu with an army composed of 150,000 Chihli and Shantung troops possibly with some 3,000 White Russian mercenaries occupying the head of the advancing column.

2—Marshal Sun Chuang-fang, tupan of the Five Southeastern provinces of Anhwei, Kiangsu, Kiangsi, Chekiang and Fukien, but now narrowed to Chekiang, Kiangsu and Anhwei, to remain in Kiangsu and Chekiang but to "accept" Fengtien assistance.

3—Gen. Chang Hsueh-liang, son of the Mukden warlord, to be responsible for the peace of the Metropolitan district at Peking and possibly to become tupan of Chihli.

4—The two sections of the Chinese fleet controlled by Marshals Sun Chuan-fang and Chang Tso-ling to cooperate in the service of transporting troops.

5—Marshal Chang Tso-ling will assume the post of Generalissimo of the Northern forces.

Another Version

According to the Japanese *Toho* Agency report of Nov. 22 the new military arrangement in the North is somewhat as follows:

1—Fengtien and Shantung troops to be sent south will be known as the "Anti-Red Kiangsi Reinforcements."

2—The Shantung army, led by the Russian White mercenaries is to make the advance under the personal command of Gen. Chang Chung-chang, Fengtien Tupan of Shantung.

3—The Chihli Army will manage the defense in the rear, furnish supplies and await further command.

4—Gen. Chang Hsueh-liang and Gen. Han Lin-chun, in addition to defending Peking will advance down the Peking-Hankow Railway against the Kuominchun troops under Feng Yu-hsiang.

5—Marshal Wu Pei-fu will advance against the Kuomintang in Hupeh province.

6—Shantung troops, in addition to advancing into Kiangsu will also advance into Hupeh from Anhwei province.

The Predicament of Sun Chuan-fang

There is as yet considerable mystery regarding the movements of Marshal Sun Chuan-fang, commander of the Northern troops in Anhwei, Kiangsu and Chekiang, since his defeat by Gen. Chiang Kai-shek in Kiangsi. Marshal Sun has been claiming that he had 30,000 faithful troops scattered along the Shanghai-Nanking and Shanghai-Hangchow Railways between Nanking and Hangchow, but despite the claims, the truth of the situation probably is that these troops are badly off for munitions and supplies, since most of them lost all of their possessions when they fled from Kiangsi.

On Saturday, Nov. 20 it became known that Marshal Sun Chuan-fang had secretly departed from Nanking by special train for the North, his avowed purpose being his desire to attend the Tientsin Military Conference and confer with Marshal Chang Tso-ling on the political situation, in the Yangtsze Valley. Naturally this has given rise to many rumors, one of the most significant being that Sun has sold out to Fengtien and will not return to his post at Nanking, his wife having already preceded him to the North several days ago. Another report has it that Sun has accepted an honorary post as vice-generalissimo under Chang Tso-ling and will turn over control of Kiangsu to Fengtien, the actual controller to be Gen. Chang Chung-chang of Shantung.

Marshal Sun Apparently Squeezed Out

The general conclusion among most observers is that Marshal Sun Chuan-fang has been squeezed out of the political picture, being unable to maintain his position against the advancing Southerners on the one hand and against the ambitions of Fengtien on the other to control the rich Shanghai and Kiangsu district. Sun has constantly been between two fires, the Southern radicals and the Northern conservatives and has found it impossible to maintain his position between these two forces. Marshal Wu Pei-fu has been in a similar predicament and has likewise been squeezed out.

The Situation Narrows

If Marshal Sun Chuan-fang has been eliminated, it will have the effect of clarifying the situation through narrowing it to two major factions, the Kuomintang and the Fengtien parties, or to express it another way, the situation has been narrowed to the Canton "reds" and the Fengtien "whites." Marshal Chang Tso-ling and the militarists and politicians associated with him know no political philosophy except the rule of might, military dictatorship in the extreme degree. The Southerners, on the other hand, while now submitting to military dictatorship for the present in order to achieve their political ends, are however, pledged to a program of constitutional government, and social reform. Chang Tso-ling handles the labor situation by deftly shooting or beheading the agitators; the Kuomintang believes in fostering labor unions and derives much of its power from labor union support. Thus, with the practical elimination of Wu Pei-fu and Sun Chuan-fang and the Chihli Party, the moderates or middle-of-the-road politicians and militarists are finished and China now has a clear-cut issue, and there is hope that they may have ample opportunity now to fight it out on this basis.

Labor Situation in the South

The apprehension which has existed in industrial circles in Shanghai regarding labor complications following the advance of the Southern troops, apparently has had a sound basis, for according to reports from Hankow during the week, the expected trouble is developing. There have been strikes in the Chinese Post Office, Chinese Telegraphs and telephone administrations, the British-American Tobacco Company and other factories and now all servants employed by Japanese in Hankow, have gone out on strike. According to the reports, the Kuomintang officials in the Hankow district, anxious to make good impression for the administration, have tried to prevent serious labor troubles from developing, but they have been powerless against the radical elements in the Kuomintang who are bent upon causing all of the havoc possible, even to the institution of a communistic regime. That this is having its natural reaction among the Chinese merchants was indicated in a report from Changsha, the capital of Hunan province, that the Chinese merchants had requested Gen. Tang Sun-tze the Tupan to return and take charge of the situation. Previously the Chinese merchants in Changsha had welcomed the Kuomintang in order to eliminate the military disorder which had prevailed under the northerners.

Wellington Koo Cabinet Continues

Despite rumors that the Wellington Koo "one-man" Cabinet was to be displaced as a result of Marshal Chang Tso-ling's visit to Peking, the rivalries of Peking politicians has had the effect of enabling Koo to carry on despite the fact he has repeatedly offered to resign. Although Marshal Chang Tso-ling might prefer some of his own politicians in the Cabinet, Koo has been able to hold his positions as Minister of Foreign Affairs and Acting Premier largely because the Northern militarists and politicians respect his knowledge of foreign affairs, an important matter in these days of treaty adjustments.

Will Powers Recognize Canton?

The incentive which has had much to do with last minute efforts of the Northern militarists to get together, has been the fear that the Powers might recognize the Canton Government and withdraw recognition from Peking. Although the Powers have made no move in the direction of recognizing Canton, the advance of the Kuomintang armies in the Yangtsze Valley has had the effect of cooling their relations with the Peking Government. First Mr. MacMurray, American Minister made a trip to Canton to investigate the situation. Then Sir Cecil Clementi, Governor of the British Colony of Hongkong gave out an interivew stating that Britain would do business with Canton at any time when Canton was able to establish a stable Government. Then finally, the Japanese have also been evincing considerable curiosity regarding Canton conditions and at the present moment Mr. Saburi, Japanese delegate to the Peking Tariff, is now in Shanghai supposedly conferring with Kuomintang leaders on the question of the Sino-Japanese Treaty.

Curious Case Before Mixed Court

The International Mixed Court at Shanghai has accepted jurisdiction in a curious case of conflicting national jurisdictions resulting from the Act of Congress of Sept. 22, 1922, whereby women of non-American nationality do not become American citizens through their marriage to Americans. The present case which is handled by Fleming and Allman pertains to the settlement of the estate of Minnie Hawthorne Richards who died in Los Angeles, Cal., on April 1, 1926, leaving an estate in Shanghai. Mrs. Richards was of British nationality which she lost upon her marriage to Mr. Richards, an American in Shanghai on Dec. 20, 1924. But since she did not become an American citizen under the American law, through her marriage to Mr. Richards, the problem of settling her estate here has been a serious one since neither the American nor the British court would accept jurisdiction. The case was finally referred to the Mixed Court which accepted jurisdiction on Nov. 11.

From the Chinese Press

November 18.—Admiral Yang Shu-chwang has replied to local gentry of Fukien province residing in Shanghai that he will use his afforts to safeguard peace in Fukien provinge—Chinese Engineering Society elects new directors as follows: Lin Hung-hsun, Hsu Pei-huang, Chow Chin, Mao Yi-sung, Yung Tsen, Wu Chung-lo—Ministry of Foreign Affairs in Peking announces that China will shortly start negotiations in Peking with the Japanese on the question of a new treaty—Chinese Government planning a protest to Belgium against submission of Sino-Belgian treaty question to Hague Court—Southern Government announces that the Bank of Hupeh has been formally established—Kuomintang forces in Nanchang, capital of Kiangsi, preparing to advance eastward into Fukien—Important military conference held in Kiukiang by Gen. Chiang Kai-shek participated in by officials claiming to represent Fengtien, Honan, Kiangsu and Chekiang—Much dissatisfaction in Kiangsi over issuance of notes by Southern forces—Serious troubles break out in the Chungshan University in Canton between the moderates and radicals causing intervention by the Peace Preservation Bureau which forbids Comment by the newspapers—British Legation protests to Peking Government over action of Canton Government in seizing control of section of Swatow harbor which was leased to British by Chinese government during Manchu Dynasty.

November 19.—Gen. Chen Yi, civil Governor of Chekiang provinces passed through Shanghai on his way to Nanking to attend a military conference—Chian Pei-chi, Southern delegate engaged in peace movement announces possibility of bringing about reconciliation between Sun Chuan-fang and Chiang Kai-shek—Chinese and Foreign officials at Shanghai hold further discussions on restoration of Mixed Court—Shanghai students arrested for propaganda are to be released on proper guarantees of future good behavior—Reported in Peking that several members of Kiangsu gentry including Tang Wen-tse of Nanyang University, Han Kuo-chun, former civil governor, have petitioned Gen. Chang Chung-chang of Shantung to intervene in Kiangsu—Strike of railwaymen on Hankow-Changsha line still in effect—Peking report states that negotiations between Chinese and Japanese over new treaty are not likely to start until the political situation becomes more settled, the Japanese desiring to find out the sentiments of the Southerners before starting negotiations—Chang Tso-ling announces that formal negotiations will shortly be started with representatives of Wu Pei-fu, Sun Chuan-fang, Yen Hsi-shan and that Lu Yung-hsiang former tupan of Chekiang and Wu Kuang-hsia will have prominent place in negotiations—Chang Tso-ling holds many elaborate banquets and other functions in Tientsin—Northern militarists recommend Chang Tso-ling as leader of Peiyang faction and urge expedition against the Kuomintang in the Yangtsze Valley-Gen. Chang Chung-chang recommends Ho Yui as Minister of Communications—New Provincial Bank of Hupeh, organized by Kuomintang forces will have capital of $21,000,000—Marshal Sun Chuan-fang claims to have 30,000 troops in Nanking, including 8,000 men which have retreated from Kiangsi under Gen. Lu Hsiang-ting—

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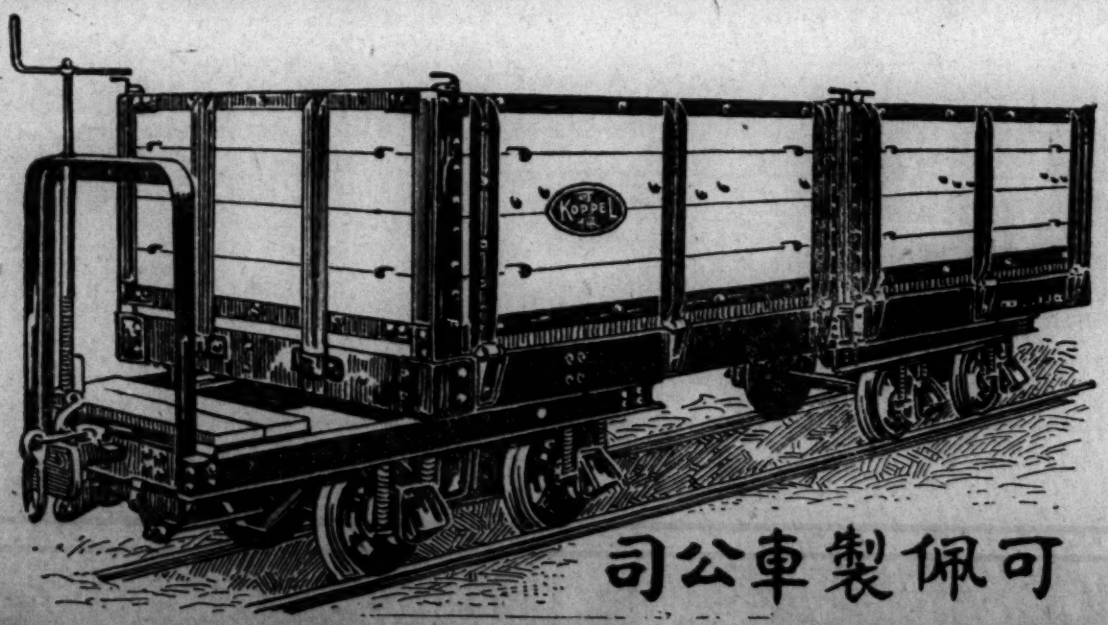

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Peking again threatens the Powers with a declaration of Tariff Autonomy unless the Powers immediately agree to resumption of Tariff Conference.

November 20.—Second Oriental Red Cross Convention in Tokyo receives invitations to hold next meeting in Manila or Honolulu in 1929—Generals Han Lin-chun, Yu Chen and Chu Yu-puh, strongly urge Marshal Chang Tso-ling as Generalissimo of Northern forces as interim measure pending election of President—Peking Cabinet instructs Department of Home Affairs to take over administration of Belgian Concession in Tientsin—Wellington Koo Cabinet contemplating resignation owing to unsettled political situation and difficult financial situation—C. E. Gauss, American Acting Consul-General pays official calls on Shanghai officials—Shen Yin-yung appointed Kiangsu manager of new bureau for levying taxes on postal parcels—Officials of China Merchants Steam Navigation company including Fu Siao-en, Li Wei-hou and Chwang Chung-yi go to Nanking to ask Marshal Sun Chuan-fang to release vessels seized for troop transports; Marshal assures them the vessels will be released—Further rumors that Gen. Chang Chung-chang of Shantung will dispatch troops south to "aid" Marshal Sun Chuan-fang—Serious labor troubles continue in Hankow district, especially on the Hankow-Canton line—League of All Asiatics of Tokyo sends cable to British Parliament protesting against construction of Singapore Base on grounds that the action imperils the welfare of 330,000,000 Asiatics—Japanese financiers approve plan for investing Yen 3,500,000 on new rolling stock for the Kiaochow-Tsinan Railway and the sum of Yen 3,000,000 for improving the Tsingtao piers—Baron Yoshiro Fujimura and Nagayasu Ideda return to Tokyo from trip through China and state that in future Japan should pay friendly attention to all factions in China instead of adhering to the Peking Government alone—Japanese *Toho* Agency report states that radical Kuomintang elements in Changsha causing serious complications with merchants causing resignation of Mr. Lo commissioner of foreign affairs for Hunan, and that merchants are demanding that Gen. Tang Sun-tse return at once—Japanese N. Y. K. steamer Hsiangkiang Maru fired upon by Chinese troops near Lilintan some 20 miles below Hsingyin, forcing steamer to stop following which they demanded $15,000 from the captain; upon captain's refusal to comply, they took $1,250 in the captain's possession and held him prisoner; later Hankow dispatch states that Japanese consul in Hankow obtained release of Japanese captain through Gen. Tang Sun-tse of Southern forces—Rumored that Gen. Chiang Kai-shek will appoint Chen Kung-po as financial director of Kiangsi—Kiukiang dispatch states that Southern forces organizing new army of 30,000 troops in Kiangsi for purpose of starting immediate drive on Anking, Anhwei province for the purpose of forcing tupan Chen Tiao-yuan to declare his position, it being rumored that Gen. Chan must soon surrender to the Southerners—Chinese press in Peking speculates on the situation stating the possibility that Japan and Great Britain may both shortly recognize the Southern Government, thus recognizing the separation of China into North and South, but thought unlikely America will approve of this action.

November 21.—Marshal Sun Chuan-fang, tupan of Kiangsu and Chekiang makes secret trip to Tientsin to interview Chang Tso-ling on Yangtsze situation, leaving Gen. Lu Hsian-ting in control of the troops at Nanking—*Kuo Wen* News Agency states that important developments are pending Yangtsze situation as a result of the Tientsin Conference—Peking Government will preserve status quo for present—Sir Ronald MacLeay, British Minister in Peking urges British-American cooperation in China—Japanese *Toho* Agency in Peking dispatch states that if Belgium refers Sino-Belgian Treaty question to Hague Court that China will refer it to the League—Sun Chuan-fang following conference with Chang Tso-ling announces that he will return to Nanking shortly—Cheng Yi, civil governor of Chekiang states that the real purpose of Marshal Sun's trip to the North was to settle definitely the matter of his cooperation with Mukden, as previous conferences by subordinates had been unsatisfactory—Sun's trip dispels rumors of peace between himself and South and paves way for cooperation between Sun and Fengtien—Japanese and Russian governments reach agreement on the subject of Japanese forestry concessions on Saghalin Island—M. Chernich, Soviet Ambassador arrives in Peking—All Chinese house servants employed by Japanese in Hankow go on strike for higher wages; printers also demand higher pay—Japanese Nippon Yusen Kaisha line plans to place another liner on Shanghai-Kobe line and also plans new steamers of Seattle and European lines—Japanese *Toho* agency report states that real purpose of Sun's secret trip to Tientsin was to pursuade Chang Tso-ling not to send

(*Continued on page VI*)

New Books of Interest in the Far East

Another Translation By Geo. Kin Leung

The True Story of Ah Q. By Lu-Hsun. Translated into English by George Kin Leung. The Commercial Press, Ltd., Shanghai. 1926. pp 100. Price Mex $1.20. With a preface by the translator.

Translations of Chinese literary productions by Chinese rather than by English scholars undoubtedly would tend to give the Occidental world a better idea of the underlying spirit in Chinese literature. George Kin Leung has made a promising beginning. Born and educated in Atlantic City, N.J., where he passed more than twenty years, he returned to China with an American outlook and began a close study of the literature of his forefathers. He therefore is endowed with unusual qualifications to translate from the Chinese into English not only what the Chinese author has to say but also something of the author's motives.

The True Story of Ah Q. belongs to the modern school. It is a character sketch of a Chinese rustic. Lu-hsun, a foremost scholar and writer of the new literary movement, fills his book with piquant, animated scenes of people in villages who delight us with their quaint whims and utterances. The translation is faithful and developes the graphic and emotional elements of the original.

In an appendix the translator tells us about Lu-shun, whose real name is Chou Tso-jen. Mr. Chou was born in Chekiang Province in 1881. His father was a scholar, his mother a villager. The forty or fifty mow of farming land owned by the family kept them in comfortable circumstances until the boy was thirteen years old, when the family met reverses. In spite of his sudden poverty, the boy, it seems, was a dreamer of dreams, and these visions prompted him in later life to write short stories which appeared under the name of *Ne-han*. It is from this collection that the translator has selected *Ah Q*.

The struggles of literary men are perhaps the same all over the world. Mr. Kin Leung by his excellent translation of a fascinating story has helped to show that, so far as human nature is concerned, Chinese and Occidentals are not greatly dissimilar.

T. S.

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CHINESE FANTASTICS

BY THOMAS STEEP

No book on China is more widely read. The chapters treat of queues, pagodas, pidgin-English; of the life of ricksha coolies, beggars, pirates, actors, demoted princes; of superstitions about dragons, foxes and ghosts; of jade, fans, bamboos, gold fishes and pigeons with whistles on their tails. The Empress Dowager, who ruled China for fifty years, is described in a chapter on "The Woman that Henpecked a Nation," which tells of her life in the Forbidden City. The book abounds in glimpses of junks on the Yangtsze, of the Chinese theatre and of life in Peking, Shanghai and Hongkong.

N.Y. Times: "Everything odd and amusing in Chinese life gets into Mr. Steep's net. He has the ability to evoke images in the minds of his readers."

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A Modern History of Asia

Asia—A Short History! By Herbert H. Gowen, D. D.; Boston: Little, Brown, and Company.

This volume consisting of 435 pages with many illustrations constitutes a short history of Asia from the earliest times to the present day. No one has told us so far why this great continent, the cradle of humanity and birth place of the founders of all religions known to man, and the mother of culture is called Asia. In the earliest Indian records written long before the Aryans entered the Indus valley the name given to the continent is Jambu Dweep. The early Chinese sages preceeding Yao and Shun were not interested in geography, and even up to the time of Confucius they knew little of the world beyond the China of that time.

Most Europeon historians, including H.G. Wells, have devoted little space to the study of the Asiatic history. But to understand the rise of culture in Europe and the influences that have tended to shape the present position of the humanity it is essential that the student be versed in the early history of Asia. To trace the rise of the Huns, the conquest of Europe by Atilla, the destruction of the Roman Empire by Turks and other Mongol tribes, the rise of the Moslem power in Arabia, one must go deeply to the sources of the Mongol history. Unfortunately much of this is still unknown.

Each nation comes to the surface of the world with a definite constructive mission, to make a contribution to the development of civilization. But like unruly children many of them forget the mission, and try to increase their power by conquering others. But the law of nature is mutual aid and co-operation. Those who have worked only for a homicidal glory, enslaved others and increased their power have soon been compelled to leave the stage and render an account of their doings at the bar of history.

The Mongols have disappeared in spite of their dashing courage exploits because they forgot their mission to humanity. The Egyptians and the Romans are extinct. But the Hindus and the Chinese are still alive and thriving because of their adherance to law of mutual aid. The history of Mahomedan conquest of India points to the fact that though the Moslems conquered India, the Hindus conquered the soul of Islam by their superior and peaceful culture. The policy of Akbar, the great, was not dictated by the Koranic injunctions. Islam became meek and respectful to the ideas of others, and gave up its militant spirit by its influx with the Hindus, and did not cross the frontiers of India. Changez Khan, Tamerlane, Halagu, must not be called heroes. Their fame is founded on wholesale murders and personal ambition and as such they must be pitied. Had they devoted their talents to some constructive ideals and creative methods they would have done some real good to humanity.

The book under review is only a short introduction to the history of Asia and its chief value lies in the fact that it creates in the reader an interest for further research. The story is well told and is as interesting as the History of H.G. Wells. It is a work of merit absorbingly interesting.

H. P. Shastri

The Yu-Chi Stone

The Yu-Chi Stone By Edmund Snell, T. Fisher Unwin, Ltd., London 1925, pp 286.

A novel which is tolerably interesting for the average tired business man. Location: Borneo, an unknown part of the interior ruled over by a Chinese bandit named Kang Yin who maintains his power over natives and Chinese by the aid of Korungau, a High Priest of the goddess Yu-Chi.

Characters: in addition to those named—the Hero, Haverstock, an English planter; Heroine, Lois Stroud, beautiful and brave and devoted to her brother Gilbert who is the prisoner of the Chinese bandit-chief, Kang Yin; Villains Kang Yin, Korungai; Arch-villain, Hermanos, a Greek who loves the Heroine and hates the Hero and comes to a perfectly horrid but well deserved death without which the Hero and the Heroine would not have been enabled to live happily ever after. In addition there are a few other folk, fine moonlight on the trees and in the Bornean waters, lots of action, jealousy, and bloodshed. Literary style, indifferent or largely lacking, but good enough such as it is, and such as it is enough. Those who crave mystery not too deep, and action not too exciting, and characters not too intricately drawn,—in fact those who want an average story may enjoy this to their heart's content.

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Anaconda Copper	48⅛	53¼	35¼
Baldwin Locomotive	149⅛	146	107
Bethlehem Steel (Ord)	44⅝	53½	37
General Motor (Common)	141⅛	149¾	64⅝
Liggett & Meyers (Class B)	101	89⅞	55½
Pennsylvania Railroad	56¼	55⅜	42½
Tobacco Products	108⅜	101¾	70
Tobacco Products (Class A)	114⅛	110⅜	93⅛
United States Rubber Co.	60	97¼	33½
Du Pont de Nemours (Common)	169	271¼	134¼
American Can	35¼	48½	15
American Smelting	136	144½	90⅜
Union Pacific R R	163	153¼	133¼
U. S. Steel	148¼	139¼	112⅜
Anglo American Oil (Voting Shares)	20½	26⅜	17⅛
British American Oil	69½	47½	38
Phillips Petroleum	52⅛	47⅛	36¼
Imperial Oil	37¼	134¾	27¼
International Petroleum	31½	35⅜	22⅛
Continental Oil	20	31⅛	21⅞
Standard Oil of Calif	58¼	67¼	51½
" " Indiana	64¾	70¾	59½
" " New Jersey	41⅛	47½	38⅜
" " New York	31½	48⅝	40

We are not responsible for cable mutilations
Telephone orders accepted—subject to confirmation.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Nov. 11th.	Sale Price Nov. 18th.	Approx. Yeld to Maturity Nov. 18th.
Szecho-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	103	103½	7.70
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	98¼	98	7.70
Republic of Chile S. F. Loan	7	Nov 1, 1942	100¼	100⅓	6.95
Argentine Government Ser. "A".....	6	Sept. 1, 1957	98⅜	98¼	6.10
German Covernments S. F. Loan.....	7	Oct. 15, 1949	105¼	105⅜	6.55
Kingdon of Norway S. F. Loan.....	6	Aug. 15, 1943	101⅛	101⅛	5.85
Deutsche Renten Bank 1st Lien Farm Loan	7%	Sept. 15, 1950	100	100	7.00
Can. Pac. R. R. Co. Debenture Stock.....	4	Perpetual	85½	85⅞	4.66
Belgian Government S. F. Loan.....	6	Jan. 1, 1955	89½	90	6.80
Andes Copper Mining Co. Debentures.....	7	Jan. 1, 1943	106½	107¾	6.25
German General Electric Co. S.F. Loan....	7	Jan. 15, 1940	102¾	103	6.70
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan....	7	Feb. 1. 1945	101	101¼	6.90
Cuban Northern R. R. Co. 1st Mtge. Loan....	6	July 1, 1966	98	98	6.10
Dodge Brothers Inc. Debentures	6	May 1, 1940	95½	95⅝	6.50
Republic of Haiti.....	6	Oct. 1, 1952	98¾	98½	6.10
Czecho Slovak Government Ext. S.F. Loan..	7½	Oct. 1, 1945	103	103½	7.15
Kingdon of Italy, Ext. S. F. Loan.....	7	Dec. 1, 1951	92¼	92⅝	7.65

The National City Company International Bank Building No. 2A Kiukiang Road, Shanghai, China.

These quotations are subject to confirmation by the National City Company of New York.

Shanghai Exchange for Week Ending Wednesday, Nov. 24, 1926

Exchange:—The improvement recorded last week in the London price of Bar Silved has not been maintained, today's quotations of 25⅛d. spot and 25 $\frac{9}{16}$d. two months forwarr are respectively ⅛d. and $\frac{9}{16}$d. below those ruling this day last week. The official T/T rate on London dropped from 2/5⅛d. to 2/5d., but business is doing at approximately ⅛d. above this rate. The exchange market has been dull and inactive; the great uncertainly in the political outlook is having its effect on trade generally and a noticable lack of confidnce is pervading business circles, with the result that import and export business has virtually ceased for the time being. The telegram received on Friday, anent the probable adoption of the Indian Currency Commission's report, coming as it did on top of a market that was never genuinely strong, caused a very sharp drop in exchange rates and a decline of 1⅛d. took place in 24 hours; however the market later railled to some extent. Speculative operations still continue to dominate the market. The market closes easy with the following rates for Gold remittances available:—T/T London 2/5 $\frac{5}{16}$d., New York 59⅛, Yen 82⅛. 4 m/s export bills can be placed:—Sterling 2/6¼d., G. $61⅛.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 81,903,000 a decrease of Tls. 545,000

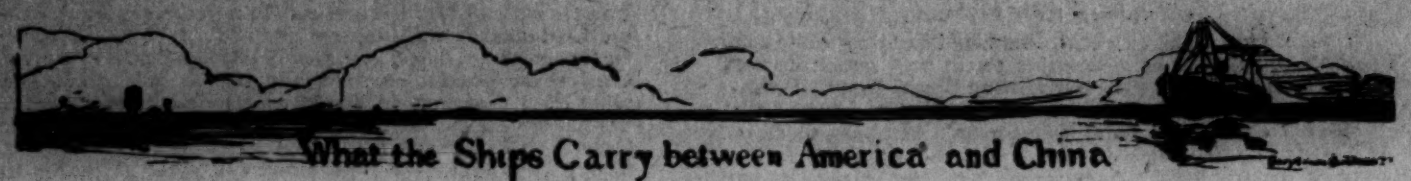
Chinese and Mexican Dollars.....$ 66,540,000 a decrease of $ 500,000

Estimated value Tls.129,811,000 as against Tls.102,183 000 held at this time last year

	Average rates for Oct.	Thursday Nov. 18	Friday Nov. 19	Saturday Nov. 20	Mon. Nov.22	Tues. Nov.23	Wednesday Nov. 24
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/5.270	2/5⅛	2/5⅛	2/5	2/5	2/5	2/5
D/Dfts ,,	—	2/5 $\frac{9}{16}$	2/5 $\frac{9}{16}$	2/5 $\frac{9}{16}$	2/5 $\frac{9}{16}$	2/5 $\frac{9}{16}$	2/5 $\frac{9}{16}$
4 m/s ,,	—	2/5⅜	2/5⅜	2/5¼	2/5¼	2/5¼	2/5¼
T/T India	163 150	165	165	162½	162½	162½	162½
T/T France	2,018 200	1740	1700	1630	1610	1640	1675
T/T N. Y.	59.180	59⅛	59½	58½	58½	58½	58½
T/T Hong	80.010	80½	80½	80	80¼	80¼	80¼
T/T Japan	82.120	82¼	82¼	83⅛	83¾	83¾	83¾
T/T Batavia	146.630	148	148	145⅛	145½	145⅛	145⅛
T/T Straits	95.640	94⅞	94⅛	96¼	96¼	96¼	96¼
Bk's buying rates							
4 m/s B/L. Cred. D/A	2/7.105	2/7⅛	2/7⅛	2/7	2/7	2/7	2/7
4 m/s ,, D/P	—	2/7⅜	2/7⅜	2/7¼	2/7¼	2/7½	2/7½
6 m/s ,, B/L Cred D/A	2/7.417	2/7 $\frac{13}{16}$	2/7 $\frac{13}{16}$	2/7 $\frac{5}{16}$	2/7 $\frac{5}{16}$	2/7 $\frac{5}{16}$	2/7 $\frac{5}{16}$
4 m/s B/F Cred D/A	2.148.200	1970	1830	1760	1740	1740	1805
4 m/s N. Y. Lc.	62.440	63	63	62	62	62	62
4 m/s ,, Dacs	—	63⅛	63⅛	62⅛	62⅛	62⅛	62⅛

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	Nov. 18	Nov. 19	Nov. 20	Nov. 22	Nov. 23.	Nov. 24
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	25⅜	25⅞	25⅜	25 $\frac{3}{16}$	25⅜	25⅜
**New York Price of Bar Silver per oz. (Pure)	G. $.55⅞	G. $.55⅜	G. $.54⅝	G. $ 53¾	G. $.54⅝	G. $ 54⅞
Shanghai Price of Gold Bars (weight Tls. 10 (Chanping) 978 touch).....	383⁸⁰	398⁰⁰	405⁷⁰	498⁰⁰	399⁴⁰	403⁰⁰
Shanghai Silver Bars (weight Tls. 100(C.)999 touch)	111⁰⁰	111⁰⁰	111⁰⁰	111⁰⁰	111⁰⁰	111⁰⁰
Shanghai Mexican Dollars per $100.....	72.925	72.9875	73.15	73.375	73.75	74.3
Native Bank Rate of Interest (Call money).....	2½%	3%	2%	2½%	1½%	1½%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	5%	London Paris on	T/T 123.57
Bank of France rate of discount	7%	New York on London	T/T 485
London open Market of Dis, 3 m/s	4 $\frac{11}{16}$%	Bombay on London	T/T 1/5⅜
,, 4 ,,	4 $\frac{11}{16}$%	Hongkong on London	T/T 1/11
,, 6 ,,	4 $\frac{11}{16}$%	Kobe on London	T/T 2/0 $\frac{5}{16}$



What the Ships Carry between America and China

Return of the Shanghai Customs

By Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mills—thousands; Hk. Tls.—Haikwan Tls., Aug. Customs Rate Tls. 1.27 Gosquall d$1

Aso Maru, October 25.

From U. S. A.

Tinned Plates, Plain ..	Pls.	2,275

From Japan.

Cotton Shirtings:		
Grey, 7 lb	Pcs.	177
Cotton Jeans, Grey:		
12¾ lb	,,	2,000
Over 12¾ lb	,,	292
Cotton Flannel:		
Grey, 32¾ in. by 31yd.	,,	290
,, 40 ,, 31 ,, ,,		260
Cotton Poplins:		
Plain, Black	,,	240
Cotton Satteen Drills:		
Plain, Black	,,	300
,, Colouerd	,,	750
Printed	,,	2,829
Cotton Serges:		
Plain, Coloured	,,	447
Cotton Jeans:		
Printed, 32in. by 30yd.	,,	1,281
Cotton Coatings, Dyed .	Yds.	13,498
,, Flannel Duplex Prints	,,	13,160
,, Jeans, Duplex Prints	,,	15,780
,, Satteen Drills, 8 Shaft	,,	11,700
,, Velvets, Dyed, Plain	,,	1,856
,, ,, Embossed	,,	5,644
,, Raw.. Bls. 991	Pls.	2,996
,, Wool	,,	9
,, Yarn, Grey, Counts 45 ...	,,	53
,, Thread. Embroidery	,,	3
Aluminum Sheets	,,	10
Copper Wire	,,	256
Steel, Tool.....	,,	11
Acid, Hydrochloric ...	,,	90
,, Sulphuric	,,	150
Bicho de Mar, White..	,,	17
Bleaching Powder	,,	187
Fish, Salt.....	,,	680
Ink, Printing.....	,,	30
Milk, Condensed.....	,,	185
Paper, Printing	,,	336
Sake	,,	10
Soda, Caustic.....	,,	4
,, Sulphide of	,,	174
Starch	,,	336
Sugar Refined.....	,,	21,430
Ginseng:		
Cuttings, 6th Quality	Catties	1,082
Clocks	Pcs.	3,774
Mats, Tatami	,,	250
Beer	Doz.	1,200
Sake	,,	10
Waters, Table Aerated.	,,	100
Treasure:		
Silver Bars .....Hk. Tls.		34,693

Javanese Prince, October 25.

from U. S. A.

Aluminum Foil.....	Pls.	22
Iron Sheets	,,	605
Iron Galvanized:		
Sheets, Plain	,,	303
Tinned Plates, Plain...	,,	8,078
,, ,, Decorated	,,	95
,, ,, Scrap ...	,,	173
Indigo Paste, Artificial, 20 per cent	,,	287
Leadfoil and Tinfoil Mixture	,,	1,796
Paper, Writing	,,	70
,, Wrapping	,,	15
,, Unclassed.....	,,	1,534
Pitch	,,	30
Soda Ash.....	,,	63
Tobacco, Leaf	,,	10,861
Oil, Lubricating, Mineral	Galls.	3,275
Dyes, Aniline Pkgs. 682 ..... Hk Tls.		12,276

Archer, October 25.

from U. S. A.

Iron Pipe Fittings	Pls.	25
,, Galvanized, Tubes.	,,	354
Leadfoil and Tinfoil, Mixture	,,	5
Flour, Corn	,,	19
Paper, Art Printing ...	,,	18
,, Writing.....	,,	41
Tobacco, Prepared	,,	4
Twine	,,	18
Wax, Paraffin	,,	3,382
Cigarettes.....	*Mills*	80
Machines, Sewing	Pcs.	62
From Manila.		
Alcohol, Rectified	Galls.	10,200

Hanover, October 26.

From U. S. A.

Iron, Hoops, Old	Pls.	63
Iron, Galvanized:		
Wire Shorts.....	,,	403
Carbon. Black.....	,,	70
Cotton, Raw. Bls. 1,756	,,	4,370
Leadfoil and Tinfoil, Mixture	,,	1,161
Wax, Paraffin	,,	11,222
Oil Lubricating, Mineral	Galls.	2,143

City of Singapore, October 27.

From U. S. A.

Embroidery Cotton	Pls.	6
Cotton Wooloa	,,	9
Iron Pipes	,,	254
,, Wire, Defective..	,,	1,346
Iron, Galvanized:		
Pipes	,,	197
Sheets, Plain	,,	264
Tinned Plates Plain ..	,,	8,804
Turneplates	,,	2,143
Grease	,,	289
Gum, Arabic	,,	5
Oil, Lubricating	Galls.	17,084
,, Transil	,,	500
Hosiery.....	*Doz.*	408

President Lincoln, October 27.

To San Francisco.

Silk Pongees, Honan..	Pls.	864
Tea, Black, Congou, Kukiang	,,	50
Tea, Green:		
Gunpowder, Ningpo .	,,	146
Other Kinds, Shanghai	,,	8
Brassware	,,	118
Chinaware, Fine.....	,,	48
Egg Albumen, Dried..	,,	39
,, Yolk Moist	,,	371
Intestines, Pigs' Salted	,,	22
,, Sheep's ,, .	,,	4
Oil, Wood.....	,,	14,217
Tallow, Vegetable	,,	15
Walnuts, in Shell.....	,,	3,000
Woodware	,,	13
Carpets	Hk. Tls.	4,736
Treasure:		
Gold Bars.....	,,	157,015
To Los Angeles		
Brassware	Pls.	67
Egg Albumen, Dried...	,,	84
Carpets.....Hk. Tls.		677
To Houston.		
Hair Human.....	Pls.	23
To St. Louis.		
Brassware	Pls.	11
To Charleston.		
Hair Human	Pls.	119
To New Orleans.		
Hats, Straw	Mille	15
To Hoboken.		
Silk, Raw, Steam Filature:		
White, Shanghai Bls 45	Pls.	44.93
Yellow, Shanghai Bls. 5	Pls.	44.93
To Philadelphia.		
Cotton, Waste.....	Pls.	561
To Boston.		
Silk, Waste:		
Shanghai .. Bls. 28	Pls.	90.21
To Chicago.		
Silk, Raw, Filature:		
Wuhu, other Ports Bls. 27.....	Pls.	27.26
To New York.		
Silk, Raw, Re-reeled:		
White, other Ports Bls. 10.....	Pls.	10.10
Silk, Raw, Steam Filature:		
White, Shanghai Bls. 35	Pls.	34.90
Whith other Ports Bls. 5.....	Pls	4.00
Silk, Raw, Steam Filature:		
Yellow, Hankow Pls. 10.....	Pls.	10.14
Yellow Shanghai Bls. 20	Pls.	20.18
Yellow other Ports Bls. 4.....	Pls.	3.81
Silk Piece Goods	,,	3.08
Bristles	,,	41
Egg Albumen, Dried..	,,	84
,, Yolk, Dried	,,	45
,, ,, Powder ..	,,	105
Feathers	,,	101
Intestines, Pigs', Salted.	,,	32
Skin Crosses, Kid	Pcs.	390
Shins, Dog	,,	14,186
,, Lamb	,,	11,913
Carpets .....Hk. Tls.		13,549

Honolulan, October 28.

From Portland, Oregon.

Timber:		
Softwood, Ordinary Swan.....	Sup ft.	535,415

President Harrison, Nov. 4.

To New Bedford.		
Silk, Waste:		
Shanghai....Bls 16	Pls.	49.16
Other..... ,, 129	,,	443.04
To South Manchestra.		
Silk Waste:		
Shanghai....Bls. 5	Pls.	16.56

West Hinton, November 6.

To Portland.		
Tea, Black, other Kinds, Kiukiang	Pls.	36
Tea, Green:		
Gunpowder, Ningpo	,,	71
To New York.		
Silk, Raw, Steam Filature:		
White other Ports Bls. 20	Pls.	16

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—Since the issue of our last report, our market assumed more or less of a bearish aspect ascribable to a great extent to the impending internecine warfare, and prices receded by about Tls. 0.50 per picul lower than that current during the previous period. The existent depression in the yarn market acts as a strong deterrent to any demand for the raw material evolving from spinners who appear to have adopted the policy of making their current purchases on a hand-to-mouth basis and thus await more prosperous times for their yarn output. It would, no doubt, appear that the resumption of warfare in the country will influence in no small degree the situation in which our market finds itself and it may take some time before confidence is sufficiently restored to bring about a revival in the trade.

Having the above in view it is not permissible to advise heavy commitments on either side of the market and conservatism should be the keynote of all operations in the near future.

Yarn:—The market has had a weak appearance almost throughout the past week and without any great excitement prices were carried down Tls. 2.00 to Tls. 3.00 from the level of a week ago. Business for export has been booked some 7000 to 8000 Bales in all counts during the week under review.

Liverpool:—

American-Middling	6.99
American-Middling last reported.. ..	6.90
Tone of the market,	*Steady.*

New York Market:—

Price of Mid-Amer.	13.05 Spot.
	12.63 Dec.
	12.70 Jan.
	12.91 Mar.
	13.10 May.
	13.29 July.
Tone of the market:—	*Steady.*

Indian Market:—

Fully Good Bengal, D./J.	223
Fine Oomra, Dec/Jan..	255
Fully Good Broach, A./M.	259
Tone of the market—	*Steady.*

Shanghai Market:—

	Tls.
Tungchow, spot ex wharf	31.60
Shanghai, Nov.....	29.00
M. Ginned Nov.....	29.00
Shensi, No. 1 Spot.....	29.00
Ningpo, Spot, Exwharf.	28.00
Tone of the market—	*Steady.*

(*Continued from page 366*)

troops into Kiangsu; that Sun could handle the situation without Fengtien help—Further report on Tientsin military conference states that Gen. Chang Chung-chang of Shantung will advance on Kiangsu with 150,000 troops; that Marshal Sun will hold Kiangsu and Chekiang: that Gen. Chang Hsueh-liang will control the metropolitan district with the 3rd and 4th Army corps; that the Yellow Sea and Fengtien squadrons will cooperate as troop transports; that Chang Tso-ling will assume post of generalissimo of Northern forces.

November 21-22—Marshal Chang Tso-ling entertains Marshal Sun Chuan-fang, there being many notables present, including Liang Shih-yi, and Gen. Chin Yun-peng, both former premiers—Reported that trains already in readiness to begin transporting Fengtien troops southward—Provincial financial department organized in Hupeh province and Bank of China notified it will be liquidated unless it submits to loan demands of Southerners; The Hung-Ho native bank closed disrupting financial situation—Anti-British strike agitation becomes worse at Hankow directed chiefly at British-American Tobacco factories—Gen. Tien Wei-chin arrives at Chenchow, Honan and welcomed personally by Marshal Wu Pei-fu, it being reported that Gen. Tien will command troops on Peking-Hankow line on behalf of Marshals Tsao Kun and Wu Pei-fu; Gen. Kow Yin-chieh also expected at Chenchow shortly—Tientsin report states that Chang Tso-ling will be generalissimo of Northern forces with Wu Pei-fu and Sun Chuan-fang as vice-commanders and Generals Chang Chuan-chang and Chu Yu-puh in command of military operations in the Yangtsze Valley; trains already loading troops at Tientsin and Peking for southern advance, it being reported that Gen. Han Lin-tsung will command the section on the Peking-Hankow line—Sun Chuan-fang apparently turns over complete command to Fengtien and may relinquish control of Kiangsu, retaining only Chekiang—Wellington Koo again threatens resignation—General Committee of Japanese "Cultural Works in China," which has charge of expenditure of Japanese share of Boxer Indemnity in China holds meeting in Tokyo and decides to divide funds into two portions to be used in establishment of Cultural Science Institutes in Peking and Shanghai; Chinese delegates entertained at dinner by Baron Shidehara, Minister of Foreign Affairs.

November 23—Further reports on new military alliance in the North states that Shantung troops will invade Kiangsu and also Hupeh, by way of Anhwei and that the Chihli Army will remain in the rear awaiting command—Fengtien authorities arrest 94 Chinese and 14 Russian railway laborers employed on the Chinese Eastern Line on charges of political intrigue—Peking report by *Toho* agency states that Generals Chin Yun-ao, Tien Wei-chun and Wei I-san, are planning to desert Wu Pei-fu and join Southern forces in Honan—Canton plans for elaborate celebration on January 1, 1927 of recent victories—Gen. Chow Feng-chi, adherent of Sun Chuan-fang at Nanking goes to Hangchow with 2,000 men—*Kuo Wen* report from Hankow states that a boycott is shortly to be started against the use of British bank notes—Chen Kung-peh, financial commissioner of Hupeh announces that he will mortgage public properties in the province for $3,000,000 in order to raise capital for the new provincial Bank of Hupeh, which institution will issue bank notes to the value of $3,000,000—Political Committee of Hupeh Provincial Administration announces plans for organizing an arbitration committee to handle disputes between laborers and employes—Gen Chu Yu-puh will manage military affairs in Shantung during absence of Gen. Chang Chung-chang on Kiangsu expedition—Fengtien authorities announce plans for sending army of 300,000 men against the Kuomintang—Gen. Chang Chung-chang returns to Tsinanfu from Tientsin military conference and makes immediate plans for departing for Nanking to assume command of the advance on Shanghai—Marshal Sun Chuan-fang remains in Tientsin for the present but will be responsible for Chekiang and the Shanghai area—Chinese Chamber of Commerce at Canton decides to abolish presidency and adopt committee form of management—Canton government announces that of 30,000 laborers who lost jobs as a result of the Anti-Hongkong strike, 10,000 have been placed on government works, another 10,000 with the strike committee and picket corps, leaving about 8,000 still out of employment—Chang Tso-ling confers with Gen. Yang Yu-ting regarding final details of Southern campaign—Feng Yu-hsiang with force of 40,000 advances from Kansu into Shensi province with the object of linking up his forces with the Kuomintang in Hupeh.

November 24.—Tientsin military and political conference strongly recommends that Chinese Government should proceed to assess the 2½ percent surtax irrespective of the Powers action—Mr. Shigenitsu, first secretary of Japanese Legation, Peking departs for Tokyo to confer with Government on Sino-Japanese Treaty question—Tientsin Conference decides to send Fengtien troops into Honan regardless of actions or wishes of Wu Pei-fu who thus far has not announced his intentions—Also decided to instruct Gen. Yen Hsi-shan tupan of Shansi to drive Kuominchun troops from Shensi—Wellington Koo rushes to Tientsin to confer with Chang Tso-ling—Gen. Yang Yu-ting arrives in Tientsin to confer on Yangtsze campaign—Fengtien faction decides to support Wellington Koo Cabinet for present—*Toho* dispatch from Canton says Canton Government secretly considering change of policy which includes suspension of anti-Britigh agitations; to induce Britain and Japan to recognize Canton Government—to remove Canton Government to Wuchang and court friendship of Powers by moderate action; to obtain foreign loans for completion of Hankow-Canton Railway—Serious run on Bank of China in Hankow due to rumors of liquidation by Kuomintang Government owing to Bank's reported refusal of a loan, but run finally stops owing to Bank's ability to weather storm—Printers strike declared in Hankow and general boycott declared against products of British-American Tobacco Company—Gen. Chen Yi's troops being gradually moved from Hsuchowfu to Hangchow—Associated gentries of Kiangsu, Chekiang and Anhwei meet in Shanghai under chairmanship of Tsai Yuan-pei chancellor of Government University to consider peace of district.

The British passenger and cargo steamer Sunning, commanded by T. P. Beatty and second officer J. W. Hurst was captured by about forty Chinese pirates as the vessel was proceeding from Amoy to Hongkong on Monday afternoon, Nov. 15. About midnight the officers of the ship armed with revolvers attempted to regain control of the ship by rushing the bridge and killing the pirates. They succeeded in getting control, killing some eleven pirates in the battle, following which the pirates fired the ship. The flames attracted the attention of the British gunboat Bluebell which came to the rescue and finally succeeded in extinguishing the fire. Some of the pirates escaped in life boats but ten were captured. H. W. Lapsley, an employe of the Eastern Extension Cable Company, one of the passengers was carried off by the pirates and G. Cormack, chief engineer of theS unning was seriously wounded. The Sunning was towed into Hongkong harbor on the afternoon of Wednesday, Nov. 17, seriously damaged as a result of the fire.

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